



OHIO AUDITOR OF STATE
KEITH FABER



**ANDERSON TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

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ANDERSON TOWNSHIP PARK DISTRICT
HAMILTON COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Anderson Township Park District
Hamilton County
8249 Clough Pike
Cincinnati, Ohio 45244

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities and each major fund of Anderson Township Park District, Hamilton County, Ohio (the Park District), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Park District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Park District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities and each major fund of Anderson Township Park District, Hamilton County, Ohio, as of December 31, 2019 and 2018, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General (both years) and Federal Emergency Management Agency (2018 only) funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 30, 2020

Anderson Township Park District
Hamilton County
Statement of Net Position - Modified Cash Basis
December 31, 2019

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,704,159</u>
Net Position:	
Restricted for:	
Debt Service	10,413
Unclaimed Monies	3,818
Unrestricted	<u>1,689,928</u>
<i>Total Net Position</i>	<u><u>\$1,704,159</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2019

		<u>Program Cash Receipts</u>	Net (Expenses) Revenues and Changes in Net Position
	<u>Cash</u>	<u>Charges for</u>	<u>Operating</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>
			<u>Contributions</u>
			<u>Total</u>
			<u>Governmental</u>
			<u>Activities</u>
Governmental Activities:			
Current:			
Conservation and Recreation	\$3,462,902	\$984,941	\$12,331
Capital Outlay	267,369	0	0
Debt Service:			
Principal Retirement	230,321	0	0
Interest and Fiscal Charges	7,956	0	0
<i>Total Governmental Activities</i>	<u>\$3,968,548</u>	<u>\$984,941</u>	<u>\$12,331</u>
			<u>(2,971,276)</u>
 General Revenues:			
Property Taxes Received for General Purposes			2,654,863
Grants and Entitlements not Restricted to Specific Programs			99,836
Investment Earnings			2,408
Miscellaneous			76,240
Proceeds from the Sale of Bonds			275,000
Proceeds from the Sale of Capital Assets			21,459
<i>Total General Revenues</i>			<u>3,129,806</u>
 <i>Change in Net Position</i>			 158,530
 <i>Net Position at Beginning of Year</i>			 <u>1,545,629</u>
<i>Net Position at End of Year</i>			<u><u>\$1,704,159</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,689,928	\$10,413	\$1,700,341
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	3,818	0	3,818
<i>Total Assets</i>	<u>\$1,693,746</u>	<u>\$10,413</u>	<u>\$1,704,159</u>
Fund Balance:			
Nonspendable	\$3,818	\$0	\$3,818
Restricted	0	10,413	10,413
Assigned	1,359,067	0	1,359,067
Unassigned	330,861	0	330,861
<i>Total Fund Balances</i>	<u>\$1,693,746</u>	<u>\$10,413</u>	<u>\$1,704,159</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District

Hamilton County

Statement of Receipts, Disbursements, and Changes in Fund Balances - Modified Cash Basis

Governmental Funds

For the Year Ended December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Property Taxes	\$2,530,041	\$124,822	\$2,654,863
Investment Earnings	2,408	0	2,408
Intergovernmental	112,167	0	112,167
Charges for Services	830,380	0	830,380
Fees	154,561	0	154,561
Miscellaneous	66,567	9,673	76,240
<i>Total Receipts</i>	<u>3,696,124</u>	<u>134,495</u>	<u>3,830,619</u>
Expenditures:			
Current:			
Conservation and Recreation	3,462,902	0	3,462,902
Capital Outlay	267,369	0	267,369
Debt Service:			
Principal Retirement	108,208	122,113	230,321
Interest and Fiscal Charges	5,247	2,709	7,956
<i>Total Disbursements</i>	<u>3,843,726</u>	<u>124,822</u>	<u>3,968,548</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(147,602)</u>	<u>9,673</u>	<u>(137,929)</u>
Other Financing Sources:			
Proceeds from the Sale of Bonds	275,000	0	275,000
Proceeds from Sale of Capital Assets	21,459	0	21,459
<i>Total Other Financing Sources</i>	<u>296,459</u>	<u>0</u>	<u>296,459</u>
<i>Net Change in Fund Balances</i>	148,857	9,673	158,530
<i>Fund Balances at Beginning of Year</i>	<u>1,544,889</u>	<u>740</u>	<u>1,545,629</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,693,746</u></u>	<u><u>\$10,413</u></u>	<u><u>\$1,704,159</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Receipts, Disbursements, and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,285,772	\$2,530,041	\$2,530,041	\$0
Investment Earnings	415	2,400	2,408	8
Intergovernmental	99,000	112,167	112,167	0
Charges for Services	740,500	810,170	830,380	20,210
Fees	110,000	152,760	154,561	1,801
Miscellaneous	45,000	75,383	66,567	(8,816)
<i>Total Receipts</i>	<u>3,280,687</u>	<u>3,682,921</u>	<u>3,696,124</u>	<u>13,203</u>
Expenditures:				
Current:				
Conservation and Recreation	4,154,646	3,568,118	3,471,535	96,583
Capital Outlay	502,250	549,513	533,710	15,803
Debt Service:				
Principal Retirements	108,208	108,208	108,208	0
Interest and Fiscal Charges	5,247	5,247	5,247	0
<i>Total Disbursements</i>	<u>4,770,351</u>	<u>4,231,086</u>	<u>4,118,700</u>	<u>112,386</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(1,489,664)</u>	<u>(548,165)</u>	<u>(422,576)</u>	<u>125,589</u>
Other Financing Sources (Uses):				
Transfers Out	0	(3,818)	0	3,818
Proceeds from the Sale of Bonds	275,000	275,000	275,000	0
Proceeds from Sale of Capital Assets	0	21,459	21,459	0
<i>Total Other Financing Sources (Uses)</i>	<u>275,000</u>	<u>292,641</u>	<u>296,459</u>	<u>3,818</u>
<i>Net Change in Fund Balance</i>	(1,214,664)	(255,524)	(126,117)	129,407
<i>Fund Balance at Beginning of Year</i>	1,456,413	1,456,413	1,456,413	0
<i>Prior Year Encumbrances Appropriated</i>	88,476	88,476	88,476	0
<i>Fund Balance at End of Year</i>	<u>\$330,225</u>	<u>\$1,289,365</u>	<u>\$1,418,772</u>	<u>\$129,407</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Anderson Township Park District (the Park District) was created under authority of Chapter 511.18 of the Ohio Revised Code. The Anderson Township Trustees appoint a five-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities.

The Park District is considered a related organization to Anderson Township, Ohio. This is based on the fact that the Board of Commissioners are appointed by the Anderson Township Trustees, but Anderson Township cannot impose its will on the Park District in any manner, nor does there exist any financial benefit or burden relationship between the Park District and Anderson Township.

The Park District consists of all funds, departments, boards and agencies that are not legally separate from the Park District. The Park District's services include park repairs and maintenance, park expansion and improvement, and community recreational activities.

Component Units

Component units are legally separate organizations for which the Park District is financially accountable. The Park District is financially accountable for an organization if the Park District appoints a voting majority of the organization's governing board and (1) the Park District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Park District is legally entitled to or can otherwise access the organization's resources; the Park District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Park District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Park District in that the Park District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Park District. The Park District has no component units.

The Park District's management believes these basic financial statements present all activities for which the Park District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Park District's accounting policies.

Basis of Accounting

The Park District's financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognized revenues, expenses, assets and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (and cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transaction and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivable resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivable. Additionally, capital assets such as property, equipment, and infrastructure are not reported on the face of the financial statements. However, the government's long-term debt obligations are disclosed in the notes to the financial statements.

Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a Statement of Net Position-Modified Cash Basis and a Statement of Activities-Modified Cash Basis, and fund financial statements which provide a more detailed level of financial information. The Park District had no internal activity to eliminate from the government wide financial statements.

Government-Wide Financial Statements

The Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis display information about the Park District as a whole. These statements include the financial activities of the Park District. These statements usually distinguish between those activities of the Park District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The Park District has no business-type activities.

The Statement of Net Position-Modified Cash Basis presents the cash and investment balances of the governmental activities of the Park District at year-end. The Statement of Activities-Modified Cash Basis compares disbursements and program receipts for each program or function of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Park District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to assist the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Park District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a modified cash basis or draws from the general receipts of the Park District.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Fund Financial Statements

During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The Park District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Park District only presents one category of funds: governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Park District are financed. The following are the Park District's major governmental funds:

General Fund - The General Fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Park District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - The Debt Service Fund accounts for and reports resources restricted for the payment of bond debt.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Commissioners may appropriate. The appropriations resolution is the Board of Commissioner's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Commissioners. The legal level of control has been established by the Board of Commissioners at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amount represents the final

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

appropriations passed by the Board of Commissioners during the year, including all supplemental appropriations.

Cash and Investments

To improve cash management, cash received by the Park District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Park District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The Park District holds money for unclaimed monies which are reported as "Restricted Assets: Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Park District are presented on the financial statements as cash and cash equivalents.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits and savings accounts, and are valued at cost. The Park District does not have any investments.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets represent cash and cash equivalents held as unclaimed monies.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Park District's modified cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Park District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other post-employment benefits (OPEB).

Long-Term Obligations

The Park District's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Net Position

Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Park District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Restricted fund balance represents those amounts restricted for debt service.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Park Commissioners. Those committed amounts cannot be used for any other purpose unless the Park Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute. State statute authorized the financial officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Assigned amounts in the General Fund represent purchases on order. The financial officer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2020 appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Park District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year-end encumbrances which are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). The adjustment necessary to convert the results of operations for the year on the modified cash basis to the budget basis for the General Fund is as follows:

	<u>General</u>
Cash Basis	\$148,857
Encumbrances	(274,974)
Budget Basis	<u><u>(\$126,117)</u></u>

Note 4 – Deposits and Investments

Monies held by the Park District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Commissioners has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Park District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Park District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Park District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at 35 percent of true value. 2019 public utility taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2019, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$1,173,000,000
Public Utility Personal	31,800,000
Total	<u><u>\$1,204,800,000</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Park District. The County Auditor periodically remits to the Park District its portion of the taxes.

Note 6 – Risk Management

Ohio Plan Risk Management

The Park District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2018, and 2017 (the latest information available).

	2018	2017
Assets	\$15,065,412	\$14,853,620
Liabilities	(10,734,623)	(9,561,108)
Members' Equity	\$4,330,789	\$5,292,512

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Park District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost of living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Anderson Township Park District
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, the Park District’s contractually required contribution was \$188,885.

Note 8 – Post-employment Benefits

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Anderson Township Park District
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

In order to qualify for post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund post-employment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Park District's contractually required contribution was \$0 for the year 2019.

Note 9 – Debt

The Park District's long-term debt activity for the year ended December 31, 2019, was as follows:

Anderson Township Park District
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

	Principal Outstanding 12/31/18	Additions	Deductions	Principal Outstanding 12/31/19	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<u>From Direct Placement:</u>					
G.O. Bonds 2017					
Johnson Hills Park	\$99,972	\$0	\$49,318	\$50,654	\$50,654
G.O. Bonds 2019					
Park Improvement	0	275,000	72,795	202,205	64,808
Total General Obligation Bonds	99,972	275,000	122,113	252,859	115,462
<u>Other Long-Term Obligations:</u>					
Capital Lease Payable	154,851	0	108,208	46,643	46,643
Total Long-Term Obligations	\$254,823	\$275,000	\$230,321	\$299,502	\$162,105

The Park District issued a General Obligation Park Improvement Bond on March 30, 2017, in the amount of \$200,000. The bonds bear interest at a rate of 2.71 percent over a period of three years. The bonds were issued to pay the cost of improving the parks by constructing a new road and parking lot at Johnson Hills Park. The bonds are collateralized by the property and will be paid with property tax revenues.

The Park District issued a General Obligation Park Improvement Bond on April 1, 2019, in the amount of \$275,000. The bonds bear interest at a rate of 3.95 percent over a period of three years. The bonds were issued to pay the cost of improving the parks by constructing an outdoor classroom and walkway and making other improvements at Johnson Hills Park. The bonds are collateralized by the property and will be paid with property tax revenues.

The following is a summary of the Park District's future annual debt service requirements:

Year	General Obligation Bonds From Direct Placement	
	Principal	Interest
2020	\$115,462	\$9,360
2021	67,368	5,427
2022	70,029	2,766
Total	\$252,859	\$17,553

The Ohio Revised Code provides that net general obligation debt of the Park District, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Park District. The Revised Code further provides that total voted and unvoted net debt of the Park District less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation.

Capital lease obligations will be paid from the General Fund.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused vacation. Hourly employees are entitled to cash payments for unused compensated time. Unpaid accrued leave is not reflected as a liability under the Park District's modified cash basis of accounting.

The Park District is accumulating resources for payments of vacation and compensatory time to employees at termination or retirement. The funds are being accumulated in the General Fund.

As a result of the use of the modified cash basis of accounting in this report, obligations related to accrued compensated absences and net pension liability are not reported as liabilities in the financial statements. Expenses related to compensated absences and pension funding are recorded when paid.

Note 10 – Leases

Capital Leases

The Park District leases equipment to be used to maintain park property. Total lease payments were \$108,208 for the year ended December 31, 2019. The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2020	\$48,472
Less: Amount Representing Interest	<u>(1,829)</u>
Present Value of Minimum Lease Payments	<u><u>\$46,643</u></u>

Note 11 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund are \$274,974.

Note 12 – Contingent Liabilities

Litigation

The Park District is not party to any legal proceedings.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 13 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Nonspendable:</u>			
Unclaimed Monies	\$3,818	\$0	\$3,818
<u>Restricted for:</u>			
Debt Service Payments	0	10,413	10,413
<u>Assigned to:</u>			
Purchases on Order	274,974	0	274,974
Future Appropriations	1,084,093	0	1,084,093
<i>Total Assigned</i>	<u>1,359,067</u>	<u>0</u>	<u>1,359,067</u>
<u>Unassigned:</u>	<u>330,861</u>	<u>0</u>	<u>330,861</u>
Total Fund Balances	<u><u>\$1,693,746</u></u>	<u><u>\$10,413</u></u>	<u><u>\$1,704,159</u></u>

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Anderson Township Park District
Hamilton County
Statement of Net Position - Modified Cash Basis
December 31, 2018

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,545,629</u></u>
Net Position:	
Restricted for:	
Debt Service	740
Unrestricted	<u>1,544,889</u>
<i>Total Net Position</i>	<u><u>\$1,545,629</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2018

	Cash Expenses	Program Cash Receipts		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Current:				
Conservation and Recreation	\$3,240,745	\$932,956	\$36,993	(\$2,270,796)
Capital Outlay	117,243	0	0	(117,243)
Debt Service:				
Principal Retirement	267,498	0	0	(267,498)
Interest and Fiscal Charges	9,291	0	0	(9,291)
<i>Total Governmental Activities</i>	<u>\$3,634,777</u>	<u>\$932,956</u>	<u>\$36,993</u>	<u>(2,664,828)</u>
General Revenues:				
Property Taxes Received for General Purposes				2,639,105
Grants and Entitlements not Restricted to Specific Programs				127,323
Investment Earnings				414
Miscellaneous				62,245
Proceeds from the Sale of Capital Assets				3,580
<i>Total General Revenues</i>				<u>2,832,667</u>
<i>Change in Net Position</i>				167,839
<i>Net Position at Beginning of Year</i>				<u>1,377,790</u>
<i>Net Position at End of Year</i>				<u><u>\$1,545,629</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Balance Sheet - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Debt Service Fund	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,544,889	\$740	\$1,545,629
Fund Balance:			
Restricted	\$0	\$740	\$740
Committed	29,612	0	29,612
Assigned	1,200,061	0	1,200,061
Unassigned	315,216	0	315,216
<i>Total Fund Balances</i>	\$1,544,889	\$740	\$1,545,629

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General Fund	Federal Emergency Management Agency Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Property Taxes	\$2,485,442	\$0	\$153,663	\$2,639,105
Investment Earnings	414	0	0	414
Intergovernmental	127,323	36,993	0	164,316
Charges for Services	805,430	0	0	805,430
Fees	127,526	0	0	127,526
Miscellaneous	62,245	0	0	62,245
<i>Total Revenues</i>	<u>3,608,380</u>	<u>36,993</u>	<u>153,663</u>	<u>3,799,036</u>
Expenditures:				
Current:				
Conservation and Recreation	3,240,745	0	0	3,240,745
Capital Outlay	117,243	0	0	117,243
Debt Service:				
Principal Retirement	116,357	0	151,141	267,498
Interest and Fiscal Charges	3,383	0	5,908	9,291
<i>Total Expenditures</i>	<u>3,477,728</u>	<u>0</u>	<u>157,049</u>	<u>3,634,777</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	130,652	36,993	(3,386)	164,259
Other Financing Sources (Uses):				
Transfers In	36,993	0	0	36,993
Transfers Out	0	(36,993)	0	(36,993)
Proceeds from Sale of Capital Assets	3,580	0	0	3,580
<i>Total Other Financing Sources (Uses)</i>	<u>40,573</u>	<u>(36,993)</u>	<u>0</u>	<u>3,580</u>
<i>Net Change in Fund Balances</i>	171,225	0	(3,386)	167,839
<i>Fund Balances at Beginning of Year</i>	<u>1,373,664</u>	<u>0</u>	<u>4,126</u>	<u>1,377,790</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,544,889</u></u>	<u><u>\$0</u></u>	<u><u>\$740</u></u>	<u><u>\$1,545,629</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$2,253,243	\$2,485,442	\$2,485,442	\$0
Investment Earnings	415	415	414	(1)
Intergovernmental	122,300	127,323	127,323	0
Charges for Services	755,800	797,241	805,430	8,189
Fees	105,000	124,500	127,526	3,026
Miscellaneous	57,500	64,705	62,245	(2,460)
<i>Total Revenues</i>	<u>3,294,258</u>	<u>3,599,626</u>	<u>3,608,380</u>	<u>8,754</u>
Expenditures:				
Current:				
Conservation and Recreation	4,036,818	3,407,855	3,281,244	126,611
Capital Outlay	186,675	180,675	165,220	15,455
Debt Service:				
Principal Retirements	116,357	116,357	116,357	0
Interest and Fiscal Charges	3,383	3,383	3,383	0
Total Debt Service	<u>119,740</u>	<u>119,740</u>	<u>119,740</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,343,233</u>	<u>3,708,270</u>	<u>3,566,204</u>	<u>142,066</u>
<i>Excess of Revenues Under Expenditures</i>	(1,048,975)	(108,644)	42,176	150,820
Other Financing Sources:				
Transfers In	0	36,993	36,993	0
Proceeds from Sale of Capital Assets	0	0	3,580	3,580
Total Other Financing Sources	<u>0</u>	<u>36,993</u>	<u>40,573</u>	<u>3,580</u>
<i>Net Change in Fund Balance</i>	(1,048,975)	(71,651)	82,749	154,400
<i>Fund Balance at Beginning of Year</i>	1,316,264	1,316,264	1,316,264	0
<i>Prior Year Encumbrances Appropriated</i>	57,400	57,400	57,400	0
<i>Fund Balance at End of Year</i>	<u>\$324,689</u>	<u>\$1,302,013</u>	<u>\$1,456,413</u>	<u>\$154,400</u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Federal Emergency Management Agency Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$36,993	\$36,993	\$36,993	\$0
Other Financing Uses:				
Transfers Out	<u>(36,993)</u>	<u>(36,993)</u>	<u>(36,993)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See Accompanying Notes to the Basic Financial Statements

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The Anderson Township Park District (the Park District) was created under authority of Chapter 511.18 of the Ohio Revised Code. The Anderson Township Trustees appoint a five-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities.

The Park District is considered a related organization to Anderson Township, Ohio. This is based on the fact that the Board of Commissioners are appointed by the Anderson Township Trustees, but Anderson Township cannot impose its will on the -Park District in any manner, nor does there exist any financial benefit or burden relationship between the Park District and Anderson Township.

The Park District consists of all funds, departments, boards and agencies that are not legally separate from the Park District. The Park District's services include park repairs and maintenance, park expansion and improvement, and community recreational activities.

Component Units

Component units are legally separate organizations for which the Park District is financially accountable. The Park District is financially accountable for an organization if the Park District appoints a voting majority of the organization's governing board and (1) the Park District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Park District is legally entitled to or can otherwise access the organization's resources; the Park District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Park District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Park District in that the Park District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Park District. The Park District has no component units.

The Park District's management believes these basic financial statements present all activities for which the Park District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Park District's accounting policies.

Basis of Accounting

The Park District's financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognized revenues, expenses, assets and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

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Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (and cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transaction and events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivable resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivable. Additionally, capital assets such as property, equipment, and infrastructure are not reported on the face of the financial statements. However, the government's long-term debt obligations are disclosed in the notes to the financial statements.

Basis of Presentation

The Park District's basic financial statements consist of government-wide financial statements, including a Statement of Net Position-Modified Cash Basis and a Statement of Activities-Modified Cash Basis, and fund financial statements which provide a more detailed level of financial information. The Park District had no internal activity to eliminate from the government wide financial statements.

Government-Wide Financial Statements

The Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis display information about the Park District as a whole. These statements include the financial activities of the Park District. These statements usually distinguish between those activities of the Park District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The Park District has no business-type activities.

The Statement of Net Position-Modified Cash Basis presents the cash and investment balances of the governmental activities of the Park District at year-end. The Statement of Activities-Modified Cash Basis compares disbursements and program receipts for each program or function of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Park District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to assist the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Park District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a modified cash basis or draws from the general receipts of the Park District.

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Fund Financial Statements

During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The Park District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Park District only presents one category of funds: governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Park District are financed. The following are the Park District's major governmental funds:

General Fund - The General Fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Park District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Federal Emergency Management Agency Fund - The Federal Emergency Management Agency Fund accounts for and reports restricted grant resources for the aid in cost reimbursements.

Debt Service Fund - The Debt Service Fund accounts for and reports resources restricted for the payment of bond debt.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Commissioners may appropriate. The appropriations resolution is the Board of Commissioner's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Commissioners. The legal level of control has been established by the Board of Commissioners at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board of Commissioners.

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The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amount represents the final appropriations passed by the Board of Commissioners during the year, including all supplemental appropriations.

Cash and Investments

To improve cash management, cash received by the Park District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Park District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Park District are presented on the financial statements as cash and cash equivalents.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits and savings accounts, and are valued at cost. The Park District does not have any investments.

Employer Contributions to Cost-Sharing Pension Plans

The Park District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Net Position

Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Park District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Restricted fund balance represents those amounts restricted for debt service.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Park Commissioners. Those committed amounts cannot be used for any other purpose unless the Park Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Committed fund balance represents those amounts committed to contracts with the Hamilton County Sheriff's office for patrolling park property.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute. State statute authorized the financial officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Assigned amounts in the General Fund represent purchases on order.

The financial officer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2019 appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Park District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is outstanding year-end encumbrances which are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). The adjustment necessary to convert the results of operations for the year on the modified cash basis to the budget basis for the General Fund is as follows:

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	General
Cash Basis	\$171,225
Encumbrances	(88,476)
Budget Basis	\$82,749

Note 4 – Deposits and Investments

Monies held by the Park District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Commissioners has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Park District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

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6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Park District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at 35 percent of true value. 2018 public utility taxes which became a lien December 31, 2017, are levied after October 1, 2018 and are collected in 2019 with real property taxes.

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The full tax rate for all Park District operations for the year ended December 31, 2018, was \$2.28 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$1,170,800,000
Public Utility Personal	30,000,000
Total	\$1,200,800,000

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Park District. The County Auditor periodically remits to the Park District its portion of the taxes.

Note 6 – Risk Management

Ohio Plan Risk Management

The Park District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

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The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017 and 2016 (the latest information available).

	2017	2016
<u>Assets</u>	\$14,853,620	\$14,765,712
<u>Liabilities</u>	(9,561,108)	(9,531,506)
<u>Members' Equity</u>	\$5,292,512	\$5,234,206

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Park District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Park District’s contractually required contribution was \$184,420 for year 2018.

Note 8 – Post-Employment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health

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care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Park District's contractually required contribution was \$0 for 2018.

Note 9 – Debt

The Park District's long-term debt activity for the year ended December 31, 2018, was as follows:

	Principal Outstanding 12/31/17	Additions	Deductions	Principal Outstanding 12/31/18	Amounts Due Within One Year
<u>Governmental Activities</u>					
G.O. Bonds 2010 06-A-01					
Riverside Park	\$103,125	\$0	\$103,125	\$0	\$0
G.O. Bonds 2017					
Johnson Hills Park	147,988	0	48,016	99,972	49,318
Total General Obligation Bonds	<u>251,113</u>	<u>0</u>	<u>151,141</u>	<u>99,972</u>	<u>49,318</u>
<u>Other Long-Term Obligations</u>					
Capital Lease Payable	131,208	140,000	116,357	154,851	108,208
Total Long-Term Obligations	<u>\$382,321</u>	<u>\$140,000</u>	<u>\$267,498</u>	<u>\$254,823</u>	<u>\$157,526</u>

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The Park District issued a General Obligation Park Improvement Bond on March 15, 2010 in the amount of \$1,650,000. The bonds bear interest at a rate of 3.85 percent over a period of eight years. The bonds were issued to install all weather fields at Riverside Park. Interest and principal payments are due semi-annually to PNC Bank. The bonds are collateralized by the property and will be paid with property tax revenues.

The Park District issued a General Obligation Park Improvement Bond on March 30, 2017 in the amount of \$200,000. The bonds bear interest at a rate of 2.71 percent over a period of three years. The bonds were issued to pay the cost of improving the parks by constructing a new road and parking lot at Johnson Hills Park. The bonds are collateralized by the property and will be paid with property tax revenues.

The following is a summary of the Park District's future annual debt service requirements:

General Obligation Bonds		
Year	Principal	Interest
2019	\$49,318	\$2,709
2020	50,654	1,373
Total	<u>\$99,972</u>	<u>\$4,082</u>

The Ohio Revised Code provides that net general obligation debt of the Park District, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Park District. The Revised Code further provides that total voted and unvoted net debt of the Park District less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation.

Capital lease obligations will be paid from the General Fund.

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused vacation. Hourly employees are entitled to cash payments for unused compensated time. Unpaid accrued leave is not reflected as a liability under the Park District's modified cash basis of accounting.

The Park District is accumulating resources for payments of vacation and compensatory time to employees at termination or retirement. The funds are being accumulated in the General Fund.

As a result of the use of the modified cash basis of accounting in this report, obligations related to accrued compensated absences and net pension liability are not reported as liabilities in the financial statements. Expenses related to compensated absences and pension funding are recorded when paid.

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Note 10 – Leases

Capital Leases

The Park District leases equipment to be used to maintain park property. Total costs were \$119,739 for the year ended December 31, 2018. The future minimum lease payments are as follows:

Year Ending December 31,	
2019	\$113,455
2020	48,472
	161,927
Less: Amount Representing Interest	(7,076)
Present Value of Minimum Lease Payments	\$154,851

Note 11 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year are as follows:

General Fund	\$88,476
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Note 12 – Contingent Liabilities

Litigation

The Park District is not party to any legal proceedings.

Anderson Township Park District
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 13 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Restricted for:</u>			
Debt Service Payments	\$0	\$740	\$740
<u>Committed to:</u>			
Public Safety	29,612	0	29,612
<u>Assigned to:</u>			
Purchases on Order	58,864	0	58,864
Future Appropriations	1,141,197	0	1,141,197
<i>Total Assigned</i>	<u>1,200,061</u>	<u>0</u>	<u>1,200,061</u>
<u>Unassigned:</u>	<u>315,216</u>	<u>0</u>	<u>315,216</u>
Total Fund Balances	<u>\$1,544,889</u>	<u>\$740</u>	<u>\$1,545,629</u>

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Anderson Township Park District
Hamilton County
8249 Clough Pike
Cincinnati, Ohio 45244

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the governmental activities and each major fund of the Anderson Township Park District, Hamilton County, (the Park District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated June 30, 2020, wherein we noted the Park District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Park District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Park District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Park District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Park District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Park District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

June 30, 2020

OHIO AUDITOR OF STATE KEITH FABER



ANDERSON TOWNSHIP PARK DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 14, 2020**