

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

*Financial Statements*  
(Audited)

For The Years Ended  
December 31, 1999 and 1998

**REBA PLASTER, CLERK**

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

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Board of Trustees  
Bethel Township, Miami County  
8735 Second Street  
Tipp City, Ohio 45371

We have reviewed the independent auditor's report of Bethel Township, Miami County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Bethel Township, Miami County is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

June 27, 2000

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## Independent Auditor's Report

Board of Trustees  
Bethel Township, Miami County  
8735 Second Street  
Tipp City, OH 45371

We have audited the accompanying financial statements of Bethel Township, Miami County, as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of Bethel Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

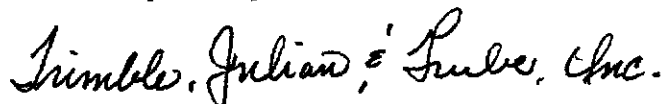
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, Bethel Township prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of Bethel Township, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 2000, on our consideration of Bethel Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.



Trimble, Julian & Grube, Inc.

May 31, 2000

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

COMBINED STATEMENT OF FUND BALANCES  
ALL FUND TYPES - CASH BASIS  
DECEMBER 31, 1999 AND 1998

<u>Cash and Cash Equivalents</u>	<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 639,855	\$ 488,581
Total Cash and Cash Equivalents	<u>\$ 639,855</u>	<u>\$ 488,581</u>
 <u>Fund Balances</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 158,925	\$ 113,399
Special Revenue Funds	<u>466,373</u>	<u>361,224</u>
Total Governmental Funds	<u>625,298</u>	<u>474,623</u>
 <u>Fiduciary Fund:</u>		
Nonexpendable Trust Fund	<u>14,557</u>	<u>13,958</u>
Total Fund Balances	<u>\$ 639,855</u>	<u>\$ 488,581</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash receipts:</b>			
Taxes	\$ 39,567	\$ 424,715	\$ 464,282
Licenses, permits and fees	16,241	3,260	19,501
Fines and forfeitures	4,432		4,432
Intergovernmental	148,516	100,721	249,237
Special assessments		1,920	1,920
Interest	16,024	6,391	22,415
Miscellaneous	738	3,857	4,595
<b>Total cash receipts</b>	<u>225,518</u>	<u>540,864</u>	<u>766,382</u>
<b>Cash disbursements:</b>			
<b>Current:</b>			
General government	136,440	254,377	390,817
Public safety		16,599	16,599
Public works		158,612	158,612
Health	20,824	6,127	26,951
Conservation	1,026		1,026
Capital outlay	<u>21,702</u>		<u>21,702</u>
<b>Total cash disbursements</b>	<u>179,992</u>	<u>435,715</u>	<u>615,707</u>
<b>Total cash receipts over cash disbursements</b>	45,526	105,149	150,675
<b>Cash fund balances, January 1, 1999</b>	<u>113,399</u>	<u>361,224</u>	<u>474,623</u>
<b>Cash fund balances, December 31, 1999</b>	<u>\$ 158,925</u>	<u>\$ 466,373</u>	<u>\$ 625,298</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCE - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>FIDUCIARY FUND TYPE</u> Nonexpendable Trust
Nonoperating Receipts:	
Interest	\$ <u>599</u>
Nonoperating Income	599
Cash Fund Balance, January 1, 1999	<u>13,958</u>
Cash Fund Balance, December 31, 1999	<u>\$ 14,557</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)	
	Budget	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements	Encumbrances Outstanding at 12/31/99		Total
Governmental:										
General	\$ 226,700	\$ 225,518	\$ (1,182)	\$ 31	\$ 350,501	\$ 350,532	\$ 179,992	\$ -	\$ 179,992	\$ 170,540
Special Revenue	540,644	540,864	220	71	913,242	913,313	435,715	58	435,773	477,540
Fiduciary:										
Nonexpendable Trust	599	599	-	-	14,757	14,757	-	-	-	14,757
Total (Memorandum Only)	\$ 767,943	\$ 766,981	\$ (962)	\$ 102	\$ 1,278,500	\$ 1,278,602	\$ 615,707	\$ 58	\$ 615,765	\$ 662,837

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash receipts:</b>				
Taxes	\$ 36,650	\$ 425,134		\$ 461,784
Licenses, permits and fees	16,048	3,850		19,898
Grant		2,180		2,180
Fines and forfeitures	6,281			6,281
Intergovernmental	138,264	97,080	\$ 229,912	465,256
Special assessments		1,932		1,932
Interest	11,748	3,685		15,433
Refunds	5,852			5,852
Miscellaneous	6,238	5,794		12,032
<b>Total cash receipts</b>	<u>221,081</u>	<u>539,655</u>	<u>229,912</u>	<u>990,648</u>
<b>Cash disbursements:</b>				
Current:				
General government	140,824	316,183	229,912	686,919
Public safety		13,962		13,962
Public works		134,649		134,649
Health	19,255	7,550		26,805
Conservation	314			314
Capital outlay	1,326			1,326
<b>Total cash disbursements</b>	<u>161,719</u>	<u>472,344</u>	<u>229,912</u>	<u>863,975</u>
<b>Total cash receipts over cash disbursements</b>	<u>59,362</u>	<u>67,311</u>	-	<u>126,673</u>
<b>Other financing receipts (disbursements):</b>				
Advance in		10,800		10,800
Advance out		(10,800)		(10,800)
Other financing receipts (disbursements)	104			104
<b>Total other financing receipts (disbursements)</b>	<u>104</u>	-	-	<u>104</u>
<b>Excess of cash receipts and other financing receipts (disbursements) over cash disbursements</b>	59,466	67,311	-	126,777
<b>Cash fund balances, January 1, 1998</b>	<u>53,933</u>	<u>293,913</u>	-	<u>347,846</u>
<b>Cash fund balances, December 31, 1998</b>	<u>\$ 113,399</u>	<u>\$ 361,224</u>	<u>\$ -</u>	<u>\$ 474,623</u>

THE NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BETHEL TOWNSHIP  
MIAMI COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN CASH FUND BALANCE - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>FIDUCIARY FUND TYPE</u> Nonexpendable Trust
Nonoperating receipts:	
Interest	\$      374
Nonoperating income	374
Cash fund balance, January 1, 1998	<u>13,584</u>
Cash fund balance, December 31, 1998	<u>\$   13,958</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 1 - DESCRIPTION OF THE ENTITY**

Bethel Township ("the Township") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Township is directed by a publicly elected three member Board of Trustees. The Township provides general governmental services, including but not limited to, road maintenance, emergency medical services, fire protection, cemetery maintenance, zoning and park operations.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township officials have direct operating control.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The most significant of the Township's accounting policies are described below.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Township are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Township.

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Township not required to be included in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The Township had the following significant Special Revenue Funds:

*Gasoline Tax Fund* - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads.

*Motor Vehicle Licence Tax Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Township roads.

*Fire and Police Special Levy Funds* - These funds receive proceeds from a property tax levy to provide services to the community and manage daily operations.

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund.

*Issue II Fund* - This fund accumulates grant monies received and paid out on behalf of the Township.

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Township had the following significant nonexpendable fund:

*Cemetery Bequest Funds* - These funds are used to account for resources restricted by legally binding trust agreements. The agreements require the Township to maintain the corpus of the trust and are classified as non-expendable trust funds.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Township's Council. Several budgetary modifications were legally enacted during 1999 and 1998.

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Township receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Township determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Township legally adopted several supplemental appropriations during 1999 and 1998.

*Encumbrances:*

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were outstanding encumbrances at December 31, 1999 and 1998.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Township considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Township with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to its respective funds. Interest income earned and received by the Township totaled \$23,014 and \$15,807 for the years ended December 31, 1999 and 1998, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are not capitalized in any of the Township's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**F. INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Township's cash basis method of accounting.

**G. INTERFUND TRANSACTIONS**

During the course of normal operations, the Township had transactions between funds. The most significant include advances of resources from one fund to another fund. These resources advanced are to be expended for operation by the receiving fund. Eventually these advances are to be repaid to the originating fund.

**H. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.



**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 3 - COMPLIANCE**

The following funds had appropriations in excess of estimated revenues and unencumbered cash in noncompliance with Ohio Revised Code Section 5705.39: General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Cemetery Fund, Cemetery Bequest Fund, Lighting Assessment Fund, and Fire District Fund during 1999 and General Fund and Motor Vehicle License Tax Fund during 1998.

The following funds had expenditures in excess of appropriations in noncompliance with Ohio Revised Code Section 5705.41: Fire Special Levy Fund and Permissive Motor Vehicle Fund during 1998 only.

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains individual cash balances in bank accounts and short-term cash equivalents classified as "Cash and Cash Equivalents" on the Statement of Fund Balances.

A. LEGAL REQUIREMENTS

Statutes require the classifications of funds held by the Township into three categories:

**Category 1** consists of active funds - those funds required to be kept in a cash or cash equivalent status for immediate use by the Township. Such funds must be maintained either as cash in the Township treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

**Category 2** consists of inactive funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

**Category 3** consists of interim funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or 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, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Township may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default principal, interest or coupons;

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

3. Obligations to the Township.

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. Historically, the Township has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township and must be purchased with the expectation that it will be held to maturity.

**B. CASH AND CASH EQUIVALENTS**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and cash equivalents at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Deposits:		
Demand deposits	<u>\$639,855</u>	<u>\$488,581</u>
Total deposits	<u>\$639,855</u>	<u>\$488,581</u>

**C. DEPOSITS**

For the years ended December 31, 1999 and 1998, the carrying amount of the Township's deposits, were \$639,855 and \$488,581, and the bank balance was \$684,116 and \$528,605, respectively. Of the bank balance:

1. \$100,000 and \$100,000 was covered by federal depository insurance for 1999 and 1998, respectively.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

2. \$584,116 and \$428,605, respectively, was uninsured and uncollateralized. Although all statutory requirements for the deposit for the money had been followed, noncompliance with federal requirements could potentially subject the Township held to be successful claim by the FDIC.

**NOTE 5 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State and are reflected in the accompanying financial statements as Intergovernmental Receipts. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**NOTE 6 - RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Township's Fire and Emergency Medical Services employees are considered part-time employees and do not belong to the Police & Firemen's Disability & Pension Funds (PFDPF).

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contribute 8.5% of their gross salaries. The Township contributes an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999 and 1998.

**BETHEL TOWNSHIP**  
**MIAMI COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 7 - RISK MANAGEMENT**

The Township is a member of a pooled insurance group that provides coverage for real property, building contents and vehicles under the terms and conditions required by the pool. Risk sharing certificates are provided in the form of intergovernmental contracts between the Township and the Ohio Township Association of Risk Management Authority (OTARMA). OTARMA administers the pool and upon execution of the contract, the Township pays the annual membership contribution fee. Real property and contents were inspected by OTARMA and are covered for the amount of the repair or replacement within the limits outlined on the statement of value provided as part of the risk sharing certificate.

**NOTE 8- EQUIPMENT LEASE COMMITMENT**

The Township has entered into a lease for its new fire engine for \$292,969, due in semiannual payments of \$34,068 at a rate of 5 percent. The first payment is due in April 2000.

**NOTE 9- CONTINGENT LIABILITY**

LITIGATION

The Township is currently not involved in litigation that the Township's legal counsel anticipates a loss.

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Bethel Township, Miami County  
8735 Second Street  
Tipp City, OH 45371

We have audited the financial statements of Bethel Township, Miami County, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

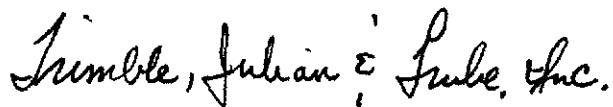
As part of obtaining reasonable assurance about whether Bethel Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-001 and 1999-002. We also noted another certain immaterial instance of noncompliance, that we have reported to management of the Township in a separate letter dated May 31, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bethel Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-001 and 1999-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Township in a separate letter dated May 31, 2000.

This report is intended for the information of the Board of Trustees and management of Bethel Township, Miami County, and is not intended to be and should not be used by anyone other than these specified parties.



Trimble, Julian & Grube, Inc.  
May 31, 2000

## SCHEDULE OF FINDINGS

Bethel Township  
Miami County  
December 31, 1999 and 1998

### 1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number	1999-001
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Ohio Revised Code Section 5705.39 in part requires that the total appropriation plus encumbrances from each fund should not exceed total estimated resources.

It was noted during the audit that the total appropriations plus encumbrances exceeded the total estimated resources for the following funds: General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Cemetery Fund, Cemetery Bequest Fund, Lighting Assessment Fund, and Fire District Fund during 1999 and General Fund and Motor Vehicle License Tax Fund during 1998.

With appropriations plus encumbrances exceeding estimated resources, the Township is spending monies not lawfully appropriated for those purposes and this could cause a fund deficit.

We recommend that the Township comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring appropriations throughout the fiscal year and amending the appropriations and the estimated resources as necessary.

Finding Number	1999-002
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Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.

It was noted during the audit that the Township had expenditures plus encumbrances in excess of appropriations in the Fire Special Levy Fund and Permissive Motor Vehicle Fund during 1998 only.

With expenditures plus encumbrances exceeding appropriations, the Township is unlawfully expending monies that have not been approved.

We recommend that the Township comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BETHEL TOWNSHIP

MIAMI 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.

By: Susan Babbitt

Date: JULY 18, 2000