



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Bethel Township
Clark County
113 00 West National Road
New Carlisle, Ohio 45344-0098

To the Board of Trustees:

We have audited the accompanying financial statements of Bethel Township, Clark County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the 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 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the 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 fund cash balances and reserves for encumbrances of Bethel Township, Clark County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2000 on our consideration of the 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 management and the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 27, 2000

Bethel Township

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$0	\$793,331	\$0	\$793,331
Intergovernmental	175,674	158,967	0	334,641
Special Assessments	0	50,566	0	50,566
Licenses, Permits, and Fees	46,401	3,246	0	49,647
Fines, Forfeitures, and Penalties	19,166	0	0	19,166
Earnings on Investments	51,330	24,216	63	75,609
Other Revenue	276	10,762	0	11,038
	<u>292,847</u>	<u>1,041,088</u>	<u>63</u>	<u>1,333,998</u>
Total Cash Receipts				
	<u>292,847</u>	<u>1,041,088</u>	<u>63</u>	<u>1,333,998</u>
Cash Disbursements:				
Current:				
General Government	105,992	0	0	105,992
Public Safety	1,321	408,631	0	409,952
Public Works	461	328,227	0	328,688
Health	21,207	111,223	0	132,430
Conservation - Recreation	25,617	0	0	25,617
Capital Outlay	14,073	76,907	0	90,980
	<u>168,671</u>	<u>924,988</u>	<u>0</u>	<u>1,093,659</u>
Total Cash Disbursements				
	<u>168,671</u>	<u>924,988</u>	<u>0</u>	<u>1,093,659</u>
Total Receipts Over/(Under) Disbursements	<u>124,176</u>	<u>116,100</u>	<u>63</u>	<u>240,339</u>
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	14,033	17,302	0	31,335
Transfers-In	0	469	0	469
Advances-In	15,000	3,561	0	18,561
Transfers-Out	(469)	0	0	(469)
Advances-Out	(3,561)	(15,000)	0	(18,561)
	<u>25,003</u>	<u>6,332</u>	<u>0</u>	<u>31,335</u>
Total Other Financing Receipts/(Disbursements)				
	<u>25,003</u>	<u>6,332</u>	<u>0</u>	<u>31,335</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>149,179</u>	<u>122,432</u>	<u>63</u>	<u>271,674</u>
Fund Cash Balances, January 1	<u>379,756</u>	<u>1,006,474</u>	<u>1,253</u>	<u>1,387,483</u>
Fund Cash Balances, December 31	<u>\$528,935</u>	<u>\$1,128,906</u>	<u>\$1,316</u>	<u>\$1,659,157</u>
Reserve for Encumbrances, December 31	<u>\$12,920</u>	<u>\$193,259</u>	<u>\$0</u>	<u>\$206,179</u>

The notes to the financial statements are an integral part of this statement.

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Local Taxes	\$0	\$754,192	\$0	\$754,192
Intergovernmental	184,369	156,261	0	340,630
Special Assessments	0	51,218	0	51,218
Licenses, Permits, and Fees	43,725	1,943	0	45,668
Fines, Forfeitures, and Penalties	3,831	0	0	3,831
Earnings on Investments	47,072	23,539	64	70,675
Other Revenue	9,281	4,099	0	13,380
Total Cash Receipts	<u>288,278</u>	<u>991,252</u>	<u>64</u>	<u>1,279,594</u>
Cash Disbursements:				
Current:				
General Government	96,772	0	0	96,772
Public Safety	1,321	372,031	0	373,352
Public Works	476	345,955	0	346,431
Health	10,443	108,080	0	118,523
Conservation - Recreation	15,925	0	0	15,925
Capital Outlay	21,946	97,997	0	119,943
Total Cash Disbursements	<u>146,883</u>	<u>924,063</u>	<u>0</u>	<u>1,070,946</u>
Total Receipts Over/(Under) Disbursements	<u>141,395</u>	<u>67,189</u>	<u>64</u>	<u>208,648</u>
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	3,300	0	0	3,300
Transfers-In	0	3,202	0	3,202
Advances-In	12,900	19,000	0	31,900
Transfers-Out	(3,202)	0	0	(3,202)
Advances-Out	(19,000)	(12,900)	0	(31,900)
Other Sources	0	0	0	0
Total Other Financing Receipts/(Disbursements)	<u>(6,002)</u>	<u>9,302</u>	<u>0</u>	<u>3,300</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>135,393</u>	<u>76,491</u>	<u>64</u>	<u>211,948</u>
Fund Cash Balances, January 1	<u>244,363</u>	<u>929,983</u>	<u>1,189</u>	<u>1,175,535</u>
Fund Cash Balances, December 31	<u>\$379,756</u>	<u>\$1,006,474</u>	<u>\$1,253</u>	<u>\$1,387,483</u>
Reserve for Encumbrances, December 31	<u>\$12,000</u>	<u>\$34,887</u>	<u>\$0</u>	<u>\$46,887</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bethel Township, Clark County, (the Township) is a body corporate and politic established to exercise 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, road maintenance, fire protection and emergency medical services. The Township contracts with the Clark County Sheriff to provide police protection services.

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

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. Cash and Investments

Certificates of deposit, money market and overnight sweep account are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool), is valued at amounts reported by the State Treasurer.

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 disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

D. Fund Accounting (Continued)

Fire Fund - This fund receives tax monies assessed and levied on general assessed valuation of real and personal property and it utilized for the operation of the fire department.

3. Fiduciary Fund (Trust Fund)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following fiduciary fund:

Funderburg Cemetery Bequest Fund- Used to account for funds held in trust of which income earned is restricted for maintenance of the Funderburg Cemetery.

Leffel Cemetery Bequest Fund - Used to account for funds held in trust of which income earned is restricted for maintenance of private citizen's cemetery lot and stone.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$647,401	\$647,599
Certificates of deposit	<u>195,000</u>	<u>195,000</u>
Total deposits	<u>842,401</u>	<u>842,599</u>
Repurchase Agreement	710,850	444,146
Star Ohio	105,906	100,738
Total investments	<u>816,756</u>	<u>544,884</u>
Total deposits and investments	<u><u>\$1,659,157</u></u>	<u><u>\$1,387,483</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Repurchase Agreement represents uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Township's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$300,172	\$321,880	\$21,708
Special Revenue	1,057,157	1,062,420	5,263
Fiduciary	<u>61</u>	<u>63</u>	<u>2</u>
Total	<u><u>\$1,357,390</u></u>	<u><u>\$1,384,363</u></u>	<u><u>\$26,973</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$607,928	\$185,621	\$422,307
Special Revenue	2,046,671	1,133,247	913,424
Fiduciary	1,325	0	1,325
Total	\$2,655,924	\$1,318,868	\$1,337,056

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$287,890	\$304,478	\$16,588
Special Revenue	972,032	1,013,454	41,422
Fiduciary	89	64	(25)
Total	\$1,260,011	\$1,317,996	\$57,985

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$512,255	\$181,085	\$331,170
Special Revenue	1,806,104	971,850	834,254
Fiduciary	1,279	0	1,279
Total	\$2,319,638	\$1,152,935	\$1,166,703

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. 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. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. RETIREMENT SYSTEMS

All employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier. The Township is in an insurance group along with Clark County.

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street,
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Bethel Township
Clark County
11300 West National Road
New Carlisle, Ohio 45344-0098

To the Board of Trustees:

We have audited the accompanying financial statements of Bethel Township, Clark County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 27, 2000. 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.

Compliance

As part of obtaining reasonable assurance about whether the 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 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 27, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 27, 2000.

Bethel Township
Clark County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

March 27, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

BETHEL TOWNSHIP

CLARK 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
MAY 4, 2000**