

BETHEL TOWNSHIP

MIAMI COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Bethel Township, Miami County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2008 through December 31, 2009. 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 is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 2, 2010

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**BETHEL TOWNSHIP
MIAMI COUNTY**

TABLE OF CONTENTS

Title	Page
Independent Auditors' Report	1
Management Discussion and Analysis	4
Basic Financial Statements for Year Ended December 31, 2009:	
Government-Wide Financial Statements:	
Statement of Net Assets - Cash Basis	12
Statement of Activities - Cash Basis	13
Fund Financial Statements for Year Ended December 31, 2009:	
Governmental Funds	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	14
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund	16
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy 1.5 Mil	17
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy 2.0 Mil	18
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Ambulance and Emergency Medical Services	19

**BETHEL TOWNSHIP
MIAMI COUNTY**

TABLE OF CONTENTS

Title	Page
Basic Financial Statements for Year Ended December 31, 2008:	
Government-Wide Financial Statements:	
Statement of Net Assets - Cash Basis	20
Statement of Activities - Cash Basis	21
Fund Financial Statements for Year Ended December 31, 2008:	
Governmental Funds	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	22
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds	23
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - General Fund	24
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy 1.5 Mil	25
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Fire Levy 2.0 Mil	26
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis - Ambulance and Emergency Medical Services	27
Notes to the Financial Statements	29
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	45
Schedule of Audit Findings	47
Schedule of Prior Findings	49

**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

INDEPENDENT AUDITORS' REPORT

Bethel Township
Miami County
8735 South Second Street
Tipp City, Ohio 45371

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Miami County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Miami County, Ohio, as of December 31, 2009 and 2008 and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services Funds in 2009 and 2008 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Manning & Associates CPAs, LLC
Dayton, Ohio

May 25, 2010

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BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This discussion and analysis of the Bethel Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$392,995, or 12 percent, a slight change from the prior year. In total, revenues for the township increased by 2 percent over the previous year. The greatest increase in funds was in the General Fund; 18 percent and is caused mostly due to the receipt of estate taxes.

The Township's general receipts are primarily property taxes. These receipts represent 63 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 changed very little compared to 2008 as development within the Township has stabilized.

The Township continues to have large carryover balances due to the passage of a 3.8-mill levy adopted by voters in August 2003 and renewed for an additional five years in November of 2008, for development related activities. To date, the activities related to the levy involve the development of a New Land Use plan and new Zoning Code for the Township. The Township has contracted with the Miami County Commissioners to perform an engineering study to consider increasing the capabilities of the county's water system within the Township.

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$354,101, or 13 percent, a significant change from the prior year. In total, revenues for the township increased by 4 percent from the previous year. The increase in total revenue was due to a general increase in revenues over the prior year. The greatest increase in funds was in the General Fund at 18 percent.

The Township's general receipts are primarily property taxes. These receipts represent 64 percent of the total cash received for governmental activities during the year. Property tax receipts for 2008 increased over 2007.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting. The statements are organized so the reader can understand the Township as a financial whole, or as an entire operating entity.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Using the Basic Financial Statements (continued)

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Reporting the Township as a Whole (continued)

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, the Township has one- type of activity:

Governmental Activities - Most of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental.

Governmental Funds - Most of the Township's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides to its residents. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The most significant governmental funds of the Township are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2009 and 2008 are the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services funds.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009, 2008, and 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,573,246	\$ 3,180,251	\$ 2,726,198
Investments	0	0	99,952
Total Assets	\$ 3,573,246	\$ 3,180,251	\$ 2,826,150
Net Assets			
Restricted For:			
Capital Outlay	2,348	2,328	2,249
Permanent Fund	16,392	17,130	16,578
Other Purposes	1,030,035	1,025,960	1,046,799
Unrestricted	2,524,471	2,134,833	1,760,524
Total Net Assets	\$ 3,573,246	\$ 3,180,251	\$ 2,826,150

As mentioned previously, net assets of governmental activities increased \$392,995 or 12 percent during 2009 and \$354,101 or 13 percent during 2008. The primary reasons contributing to the increases in cash balances are as follows:

- Increased revenues in receipts for estate taxes.
- Increase in General Fund carryover due to 3.8 mil levy funds not being spent.
- Slight decrease in spending and an overall increase in receipts for 2009
- Slight increase in spending and an overall increase in receipts for 2008.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township as a Whole (continued)

Table 2 reflects the changes in net assets on a cash basis in 2009, 2008, and 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 151,989	\$ 178,770	\$ 83,499
Operating Grants and Contributions	98,345	96,476	122,962
Total Program Receipts	<u>250,334</u>	<u>275,246</u>	<u>206,461</u>
General Receipts:			
Property and Other Local Taxes	1,048,670	1,049,985	1,010,871
Grants and Entitlements Not Restricted to Specific Programs	308,937	233,869	202,546
Sale of Fixed Assets	7,850	150	0
Earnings on Investments	33,861	59,367	135,172
Miscellaneous	9,772	9,143	2,099
Total General Receipts	<u>\$ 1,409,090</u>	<u>\$ 1,352,514</u>	<u>\$ 1,350,688</u>
Total Receipts	<u>\$ 1,659,424</u>	<u>\$ 1,627,760</u>	<u>\$ 1,557,149</u>
Disbursements:			
General Government	613,473	543,812	485,705
Public Safety	417,455	545,520	487,599
Public Works	87,759	125,532	98,880
Health	8,873	1,895	4,605
Conservation-Recreation	345	18,735	0
Capital Outlay	138,524	38,165	191,614
Total Disbursements	<u>\$ 1,266,429</u>	<u>\$ 1,273,659</u>	<u>\$ 1,268,403</u>
Increase (Decrease) in Net Assets	392,995	354,101	288,746
Net Assets, January 1	<u>3,180,251</u>	<u>2,826,150</u>	<u>2,537,404</u>
Net Assets, December 31	<u>\$ 3,573,246</u>	<u>\$ 3,180,251</u>	<u>\$ 2,826,150</u>

Program receipts represent 15, 17, and 13 percent for 2009, 2008, and 2007, respectively, of total receipts and are primarily comprised of intergovernmental receipts, charges for emergency rescue services, fees such as zoning permits, licensing fees, and cemetery services.

General receipts represent 85 percent and 83 percent of the Township's total receipts in 2009 and 2008, respectively; of this amount over 74 percent and 77 percent in 2009 and 2008, respectively, are local taxes. Earnings on Investments and State and Federal Grants and Entitlements comprise 2 percent and 22 percent for 2009; and 4 percent and 17 percent for 2008, respectively. Other receipts are insignificant and somewhat unpredictable revenue sources.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township as a Whole (continued)

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for Township activities. These include the costs of the Board of Trustees, and Fiscal Officer. Since these costs do not represent direct services to residents, we try to limit these costs. Disbursements for Public Safety, Public Works, and Health represent the costs for staffing and maintaining the emergency rescue and fire protection services, the costs of maintaining public roads and for maintaining the cemeteries located in the Township. The cost for these services was 41 percent and 53 percent for the years 2009 and 2008 respectively.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities in 2009 are for general government, public safety, capital outlay, and public works, which account for 48 percent, 33 percent, 11 percent, and 7 percent of all governmental disbursements. The major program disbursements for governmental activities in 2008 are for general government, public safety, and public works, which account for 43 percent, 43 percent, and 10 percent of all governmental disbursements. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
General Government	\$ 613,473	\$ 576,292	\$ 543,812	\$ 505,692	\$ 485,705	\$ 426,001
Public Safety	417,455	306,305	545,520	409,532	487,599	448,052
Public Works	87,759	(10,586)	125,532	29,056	98,880	(3,548)
Health	8,873	5,215	1,895	(2,767)	4,605	(177)
Conservation-Recreation	345	345	18,735	18,735	0	0
Capital Outlay	138,524	138,524	38,165	38,165	191,614	191,614
Total Expenses	\$ 1,266,429	\$ 1,016,095	\$ 1,273,659	\$ 998,413	\$ 1,268,403	\$ 1,061,942

The dependence upon property and other local tax receipts is apparent in 2009 and 2008 as 80 percent and 78 percent, respectively, of governmental activities are supported through these general receipts.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$1,659,424 and \$1,627,760 and disbursements of \$1,266,429 and \$1,273,659 for 2009 and 2008, respectively. The greatest change within governmental funds occurred within the General Fund both years. The fund balance of the General Fund increased \$389,638 and \$374,309 as the result of increased revenues from estate tax and the 3.8 mil levy.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds for 2009 and 2008 are the General Fund, Fire Levy 1.5 Mil., Fire Levy 2.0 Mil., and the Ambulance and Emergency Medical Services Funds.

Actual receipts of \$1,659,424 were over the budgeted amount of \$1,600,665 for 2009 due to higher than anticipated general fund receipts; actual receipts for 2008 of \$1,627,760 were under the budgeted amount of \$1,628,871 due less than anticipated cemetery receipts.

Disbursements for 2009 were appropriated at \$4,054,256 while actual disbursements were \$1,266,429. Disbursements for 2008 were appropriated at \$3,830,819 while actual disbursements were \$1,273,659. The high discrepancy in appropriations and disbursements for both years is due to the fact that the majority of the funds collected from a 3.8 mill property tax levy approved by voters in August 2003 have not been spent. These funds are earmarked for capital infrastructure improvements. The Township appropriates all available revenues but spends conservatively. The Township keeps a close monitoring on all disbursements to prevent having to request additional funds from taxpayers.

Capital Assets and Debt Administration

Capital Assets

The Township tracks its capital assets utilizing excel spreadsheets which are then used for end of year reporting and insurance purposes.

Current Issues

The Board of Trustees of Bethel Township, Miami County continued to work to address the infrastructure needs of its residents. In 2007, the Board of Trustee adopted an action plan for use of funds generated from the 3.8 mill General Fund Levy. With the 2008 renewal of the 3.8 mil levy, the Board of Trustees along with staff are working to finalize an action plan for not only the existing monies collected, but also how the renewal monies should be spent.

In the 2007 action plan adopted by the Board of Trustees a highlight included a partnership with the Miami County Commissioners to explore ways in which to provide water and sanitary sewer services to the Township. Funds were expended to complete a preliminary study for the extension of waterlines. It was determined that waterlines were not the primary infrastructure needed by residents of the southwestern portion of the township. The Board of Trustees partnered in late 2008 and 2009 with the Miami County Board of Commissioner's to study sanitary needs in the above mentioned southwestern portion of the township. Work continues to make sanitary sewers available in that area.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Current Issues, (continued)

In addition, 3.8 mil levy funds were earmarked for a newly established Agricultural Easement Purchase Program. In 2009, no applications were received for this program, and no offers were made by the Board of Trustees. Currently, there are no active applications on file for this program. Funds generated by the 3.8 mil levy still remain largely unspent but the Board of Trustees are pleased to have a plan in place for the expenditure of these funds over a period of two to five years while continuing to meet the needs of the Township's residents, specifically their future utility needs.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Deborah A. Watson, Fiscal Officer, Bethel Township, Miami County, 8735 South Second St., Tipp City, Ohio 45371.

BETHEL TOWNSHIP
MIAMI COUNTY
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,573,246	\$ 3,573,246
<i>Total Assets</i>	3,573,246	3,573,246
 Net Assets		
Restricted For:		
Capital Projects	2,348	2,348
Permanent Funds	16,392	16,392
Other Purposes	1,030,035	1,030,035
Unrestricted	2,524,471	2,524,471
<i>Total Net Assets</i>	\$ 3,573,246	\$ 3,573,246

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> <u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities				
General Government	\$ 613,473	\$ 37,181	\$ 0	\$ (576,292)
Public Safety	417,455	111,150	0	(306,305)
Public Works	87,759	0	98,345	10,586
Health	8,873	3,658	0	(5,215)
Conservation-Recreation	345	0	0	(345)
Capital Outlay	<u>138,524</u>	<u>0</u>	<u>0</u>	<u>(138,524)</u>
<i>Total Governmental Activities</i>	<u>\$ 1,266,429</u>	<u>\$ 151,989</u>	<u>\$ 98,345</u>	<u>\$ (1,016,095)</u>

General Receipts

Property Taxes	\$ 1,011,853
Other Taxes	36,817
Grants and Entitlements not Restricted to Specific Programs	308,937
Sale of Fixed Assets	7,850
Earnings on Investments	33,861
Miscellaneous	<u>9,772</u>
<i>Total General Receipts</i>	<u>1,409,090</u>
 Change in Net Assets	 392,995
 <i>Net Assets Beginning of Year</i>	 <u>3,180,251</u>
 <i>Net Assets End of Year</i>	 <u>\$ 3,573,246</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009*

	<u>General</u>	<u>Fire Levy 1.5 Mil</u>	<u>Fire Levy 2.0 Mil</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Equivalents	\$ 2,524,471	\$ 165,713	\$ 89,075	\$ 118,343	\$ 675,644	\$ 3,573,246
<i>Total Assets</i>	<u>2,524,471</u>	<u>165,713</u>	<u>89,075</u>	<u>118,343</u>	<u>675,644</u>	<u>3,573,246</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	2,888	0	0	0	0	2,888
Unreserved:						
General Fund	2,521,583	0	0	0	0	2,521,583
Special Revenue Funds	0	165,713	89,075	118,343	656,904	1,030,035
Capital Projects Funds	0	0	0	0	2,348	2,348
Permanent Funds	0	0	0	0	16,392	16,392
<i>Total Fund Balances</i>	<u>\$ 2,524,471</u>	<u>\$ 165,713</u>	<u>\$ 89,075</u>	<u>\$ 118,343</u>	<u>\$ 675,644</u>	<u>\$ 3,573,246</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009*

	General	Fire Levy 1.5 Mil	Fire Levy 2.0 Mil	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 449,159	\$ 157,877	\$ 268,685	\$ 0	\$ 172,949	\$ 1,048,670
Charges for Services	0	0	0	111,150	0	111,150
Licenses, Permits and Fees	29,051	0	0	0	3,658	32,709
Fines and Forfeitures	7,006	0	0	0	0	7,006
Intergovernmental	217,558	22,638	29,818	0	135,248	405,262
Special Assessments	0	0	0	0	3,144	3,144
Earnings on Investments	30,736	0	0	0	3,125	33,861
Miscellaneous	5,736	3,459	0	0	577	9,772
<i>Total Receipts</i>	<u>\$ 739,246</u>	<u>\$ 183,974</u>	<u>\$ 298,503</u>	<u>\$ 111,150</u>	<u>\$ 318,701</u>	<u>\$ 1,651,574</u>
Disbursements						
Current:						
General Government	\$ 334,280	\$ 61,847	\$ 15,262	\$ 69,080	\$ 133,004	\$ 613,473
Public Safety	0	89,248	233,138	88,095	6,974	417,455
Public Works	0	0	0	0	87,759	87,759
Health	0	0	0	0	8,873	8,873
Conservation-Recreation	345	0	0	0	0	345
Capital Outlay	14,983	0	0	0	123,541	138,524
<i>Total Disbursements</i>	<u>\$ 349,608</u>	<u>\$ 151,095</u>	<u>\$ 248,400</u>	<u>\$ 157,175</u>	<u>\$ 360,151</u>	<u>\$ 1,266,429</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ 389,638</u>	<u>\$ 32,879</u>	<u>\$ 50,103</u>	<u>\$ (46,025)</u>	<u>\$ (41,450)</u>	<u>\$ 385,145</u>
Other Financing Sources (Uses)						
Sale of Fixed Assets	0	5,100	0	0	2,750	7,850
<i>Total Other Financing Sources (Uses)</i>	0	5,100	0	0	2,750	7,850
<i>Net Change in Fund Balances</i>	389,638	37,979	50,103	(46,025)	(38,700)	392,995
<i>Fund Balances Beginning of Year</i>	<u>\$ 2,134,833</u>	<u>\$ 127,734</u>	<u>\$ 38,972</u>	<u>\$ 164,368</u>	<u>\$ 714,344</u>	<u>\$ 3,180,251</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 2,524,471</u></u>	<u><u>\$ 165,713</u></u>	<u><u>\$ 89,075</u></u>	<u><u>\$ 118,343</u></u>	<u><u>\$ 675,644</u></u>	<u><u>\$ 3,573,246</u></u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund*

For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 427,543	\$ 427,543	\$ 449,159	\$ 21,616
Licenses, Permits, and Fees	29,850	29,850	29,051	(799)
Fines and Forfeitures	8,000	8,000	7,006	(994)
Intergovernmental	137,621	178,938	217,558	38,620
Earnings on Investments	30,000	30,000	30,736	736
Miscellaneous	25,500	25,500	5,736	(19,764)
<i>Total Receipts</i>	<u>\$ 658,514</u>	<u>\$ 699,831</u>	<u>\$ 739,246</u>	<u>\$ 39,415</u>
Disbursements				
Current:				
General Government	\$ 876,350	\$ 877,150	\$ 337,168	\$ 539,982
Conservation-Recreation	11,052	11,052	345	10,707
Capital Outlay	1,766,507	1,766,506	14,983	1,751,523
<i>Total Disbursements</i>	<u>\$ 2,653,909</u>	<u>\$ 2,654,708</u>	<u>\$ 352,496</u>	<u>\$ 2,302,212</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,995,395)</u>	<u>(1,954,877)</u>	<u>386,750</u>	<u>2,341,627</u>
Other Financing Sources (Uses)				
Other Financing Sources	20,170	20,170	0	(20,170)
<i>Total Other Financing Sources (Uses)</i>	<u>20,170</u>	<u>20,170</u>	<u>0</u>	<u>(20,170)</u>
<i>Net Change in Fund Balance</i>	(1,975,225)	(1,934,707)	386,750	2,321,457
<i>Fund Balance Beginning of Year</i>	2,130,903	2,130,903	2,130,903	0
<i>Prior Year Encumbrances Appropriated</i>	\$ 3,930	\$ 3,930	\$ 3,930	\$ 0
<i>Fund Balance End of Year</i>	<u>\$ 159,608</u>	<u>\$ 200,126</u>	<u>\$ 2,521,583</u>	<u>\$ 2,321,457</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire Levy 1.5 Mil
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 149,473	\$ 157,473	\$ 157,877	\$ 404
Intergovernmental	21,470	21,981	22,638	657
Miscellaneous	0	0	3,459	3,459
<i>Total Receipts</i>	<u>\$ 170,943</u>	<u>\$ 179,454</u>	<u>\$ 183,974</u>	<u>\$ 4,520</u>
Disbursements				
Current:				
General Government	\$ 86,520	\$ 86,520	\$ 61,847	\$ 24,673
Public Safety	118,798	118,798	89,248	29,550
<i>Total Disbursements</i>	<u>\$ 205,318</u>	<u>\$ 205,318</u>	<u>\$ 151,095</u>	<u>\$ 54,223</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,375)</u>	<u>(25,864)</u>	<u>32,879</u>	<u>58,743</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	0	5,100	5,100
Other Financing Sources	6,734	6,734	0	(6,734)
<i>Total Other Financing Sources (Uses)</i>	6,734	6,734	5,100	(1,634)
<i>Net Change in Fund Balance</i>	(27,641)	(19,130)	37,979	57,109
<i>Fund Balance Beginning of Year</i>	<u>127,734</u>	<u>127,734</u>	<u>127,734</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 100,093</u>	<u>\$ 108,604</u>	<u>\$ 165,713</u>	<u>\$ 57,109</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire Levy 2.0 Mil*

For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 208,122	\$ 255,967	\$ 268,685	\$ 12,718
Intergovernmental	29,711	29,711	29,818	107
<i>Total Receipts</i>	<u>\$ 237,833</u>	<u>\$ 285,678</u>	<u>\$ 298,503</u>	<u>\$ 12,825</u>
Disbursements				
Current:				
General Government	\$ 16,518	\$ 16,518	\$ 15,262	\$ 1,256
Public Safety	240,915	240,915	233,138	7,777
<i>Total Disbursements</i>	<u>\$ 257,433</u>	<u>\$ 257,433</u>	<u>\$ 248,400</u>	<u>\$ 9,033</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(19,600)</u>	<u>28,245</u>	<u>50,103</u>	<u>21,858</u>
Other Financing Sources (Uses)				
Other Financing Sources	8,979	8,979	0	(8,979)
<i>Total Other Financing Sources (Uses)</i>	8,979	8,979	0	(8,979)
<i>Net Change in Fund Balance</i>	(10,621)	37,224	50,103	12,879
<i>Fund Balance Beginning of Year</i>	<u>38,972</u>	<u>38,972</u>	<u>38,972</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 28,351</u></u>	<u><u>\$ 76,196</u></u>	<u><u>\$ 89,075</u></u>	<u><u>\$ 12,879</u></u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Ambulance and Emergency Medical Services
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 73,939	\$ 97,443	\$ 111,150	\$ 13,707
<i>Total Receipts</i>	<u>\$ 73,939</u>	<u>\$ 97,443</u>	<u>\$ 111,150</u>	<u>\$ 13,707</u>
Disbursements				
Current:				
General Government	\$ 86,544	\$ 86,544	\$ 69,080	\$ 17,464
Public Safety	<u>101,763</u>	<u>101,763</u>	<u>88,095</u>	<u>13,668</u>
<i>Total Disbursements</i>	<u>\$ 188,307</u>	<u>\$ 188,307</u>	<u>\$ 157,175</u>	<u>\$ 31,132</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(114,368)</u>	<u>(90,864)</u>	<u>(46,025)</u>	<u>44,839</u>
<i>Net Change in Fund Balance</i>	(114,368)	(90,864)	(46,025)	44,839
<i>Fund Balance Beginning of Year</i>	<u>164,368</u>	<u>164,368</u>	<u>164,368</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 50,000</u></u>	<u><u>\$ 73,504</u></u>	<u><u>\$ 118,343</u></u>	<u><u>\$ 44,839</u></u>

See accompanying notes to the basic financial statements

BETHEL TOWNSHIP
MIAMI COUNTY
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,180,251	\$ 3,180,251
<i>Total Assets</i>	3,180,251	3,180,251
 Net Assets		
Restricted For:		
Capital Projects	2,328	2,328
Permanent Funds	17,130	17,130
Other Purposes	1,025,960	1,025,960
Unrestricted	2,134,833	2,134,833
<i>Total Net Assets</i>	\$ 3,180,251	\$ 3,180,251

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2008*

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Capital Grants and Contributions		Governmental Activities
Governmental Activities					
General Government	\$ 543,812	\$ 38,120	\$ 0	\$	(505,692)
Public Safety	545,520	135,988	0		(409,532)
Public Works	125,532	0	96,476		(29,056)
Health	1,895	4,662	0		2,767
Conservation-Recreation	18,735	0	0		(18,735)
Capital Outlay	38,165	0	0		(38,165)
<i>Total Governmental Activities</i>	\$ 1,273,659	\$ 178,770	\$ 96,476	\$	(998,413)

General Receipts

Property Taxes	\$ 1,012,738
Other Taxes	37,247
Grants and Entitlements not Restricted to Specific Programs	233,869
Sale of Fixed Assets	150
Earnings on Investments	59,367
Miscellaneous	9,143
<i>Total General Receipts</i>	1,352,514
Change in Net Assets	354,101
<i>Net Assets Beginning of Year</i>	2,826,150
<i>Net Assets End of Year</i>	\$ 3,180,251

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008*

	<u>General</u>	<u>Fire Levy 1.5 Mil</u>	<u>Fire Levy 2.0 Mil</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Equivalents	\$ 2,134,833	\$ 127,734	\$ 38,972	\$ 164,368	\$ 714,344	\$ 3,180,251
<i>Total Assets</i>	<u>2,134,833</u>	<u>127,734</u>	<u>38,972</u>	<u>164,368</u>	<u>714,344</u>	<u>3,180,251</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	3,930	0	0	0	0	3,930
Unreserved:						
General Fund	2,130,903	0	0	0	0	2,130,903
Special Revenue Funds	0	127,734	38,972	164,368	694,886	1,025,960
Capital Projects Funds	0	0	0	0	2,328	2,328
Permanent Funds	0	0	0	0	17,130	17,130
<i>Total Fund Balances</i>	<u>\$ 2,134,833</u>	<u>\$ 127,734</u>	<u>\$ 38,972</u>	<u>\$ 164,368</u>	<u>\$ 714,344</u>	<u>\$ 3,180,251</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008*

	General	Fire Levy 1.5 Mil	Fire Levy 2.0 Mil	Ambulance and Emergency Medical Services	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 452,279	\$ 158,924	\$ 219,434	\$ 0	\$ 219,348	\$ 1,049,985
Charges for Services	0	0	0	135,988	0	135,988
Licenses, Permits and Fees	29,838	0	0	0	4,662	34,500
Fines and Forfeitures	8,282	0	0	0	0	8,282
Intergovernmental	155,861	26,218	26,546	0	119,801	328,426
Special Assessments	0	0	0	0	1,919	1,919
Earnings on Investments	45,372	0	0	0	13,995	59,367
Miscellaneous	4,329	3,085	1,327	0	402	9,143
<i>Total Receipts</i>	<u>\$ 695,961</u>	<u>\$ 188,227</u>	<u>\$ 247,307</u>	<u>\$ 135,988</u>	<u>\$ 360,127</u>	<u>\$ 1,627,610</u>
Disbursements						
Current:						
General Government	\$ 299,723	\$ 61,063	\$ 27,570	\$ 17,324	\$ 138,132	\$ 543,812
Public Safety	0	86,805	279,159	159,444	20,112	545,520
Public Works	0	0	0	0	125,532	125,532
Health	0	0	0	0	1,895	1,895
Conservation-Recreation	18,735	0	0	0	0	18,735
Capital Outlay	3,344	0	0	0	34,821	38,165
<i>Total Disbursements</i>	<u>\$ 321,802</u>	<u>\$ 147,868</u>	<u>\$ 306,729</u>	<u>\$ 176,768</u>	<u>\$ 320,492</u>	<u>\$ 1,273,659</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ 374,159</u>	<u>\$ 40,359</u>	<u>\$ (59,422)</u>	<u>\$ (40,780)</u>	<u>\$ 39,635</u>	<u>\$ 353,951</u>
Other Financing Sources (Uses)						
Sale of Fixed Assets	150	0	0	0	0	150
<i>Total Other Financing Sources (Uses)</i>	150	0	0	0	0	150
<i>Net Change in Fund Balances</i>	374,309	40,359	(59,422)	(40,780)	39,635	354,101
<i>Fund Balances Beginning of Year</i>	<u>\$ 1,760,524</u>	<u>\$ 87,375</u>	<u>\$ 98,394</u>	<u>\$ 205,148</u>	<u>\$ 674,709</u>	<u>\$ 2,826,150</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,134,833</u>	<u>\$ 127,734</u>	<u>\$ 38,972</u>	<u>\$ 164,368</u>	<u>\$ 714,344</u>	<u>\$ 3,180,251</u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund*

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 422,604	\$ 440,088	\$ 452,279	\$ 12,191
Licenses, Permits, and Fees	25,750	25,750	29,838	4,088
Fines and Forfeitures	8,500	8,500	8,282	(218)
Intergovernmental	142,842	142,842	155,861	13,019
Earnings on Investments	75,000	75,000	45,372	(29,628)
Miscellaneous	3,500	3,500	4,329	829
<i>Total Receipts</i>	<u>\$ 678,196</u>	<u>\$ 695,680</u>	<u>\$ 695,961</u>	<u>\$ 281</u>
Disbursements				
Current:				
General Government	\$ 465,212	\$ 465,212	\$ 301,347	\$ 163,865
Conservation-Recreation	35,000	35,000	18,735	16,265
Capital Outlay	1,765,000	1,765,000	5,650	1,759,350
<i>Total Disbursements</i>	<u>\$ 2,265,212</u>	<u>\$ 2,265,212</u>	<u>\$ 325,732</u>	<u>\$ 1,939,480</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,587,016)</u>	<u>(1,569,532)</u>	<u>370,229</u>	<u>1,939,761</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	0	150	150
Other Financing Sources	384	384	0	(384)
<i>Total Other Financing Sources (Uses)</i>	<u>384</u>	<u>384</u>	<u>150</u>	<u>(234)</u>
<i>Net Change in Fund Balance</i>	(1,586,632)	(1,569,148)	370,379	1,939,527
<i>Fund Balance Beginning of Year</i>	1,751,716	1,751,716	1,751,716	0
<i>Prior Year Encumbrances Appropriated</i>	<u>\$ 8,808</u>	<u>\$ 8,808</u>	<u>\$ 8,808</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 173,892</u></u>	<u><u>\$ 191,376</u></u>	<u><u>\$ 2,130,903</u></u>	<u><u>\$ 1,939,527</u></u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire Levy 1.5 Mil*

For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 166,760	\$ 161,950	\$ 158,924	\$ (3,026)
Intergovernmental	21,609	21,609	26,218	4,609
Miscellaneous	0	0	3,085	3,085
<i>Total Receipts</i>	<u>\$ 188,369</u>	<u>\$ 183,559</u>	<u>\$ 188,227</u>	<u>\$ 4,668</u>
Disbursements				
Current:				
General Government	\$ 93,325	\$ 93,325	\$ 61,063	\$ 32,262
Public Safety	148,807	148,807	86,805	62,002
<i>Total Disbursements</i>	<u>\$ 242,132</u>	<u>\$ 242,132</u>	<u>\$ 147,868</u>	<u>\$ 94,264</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(53,763)</u>	<u>(58,573)</u>	<u>40,359</u>	<u>98,932</u>
Other Financing Sources (Uses)				
Other Financing Sources	4,668	4,668	0	(4,668)
<i>Total Other Financing Sources (Uses)</i>	4,668	4,668	0	(4,668)
<i>Net Change in Fund Balance</i>	(49,095)	(53,905)	40,359	94,264
<i>Fund Balance Beginning of Year</i>	86,115	86,115	86,115	0
<i>Prior Year Encumbrances Appropriated</i>	<u>\$ 1,260</u>	<u>\$ 1,260</u>	<u>\$ 1,260</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 38,280</u></u>	<u><u>\$ 33,470</u></u>	<u><u>\$ 127,734</u></u>	<u><u>\$ 94,264</u></u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire Levy 2.0 Mil
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 232,811	\$ 215,373	\$ 219,434	\$ 4,061
Intergovernmental	29,711	25,710	26,546	836
Miscellaneous	0	0	1,327	1,327
<i>Total Receipts</i>	<u>\$ 262,522</u>	<u>\$ 241,083</u>	<u>\$ 247,307</u>	<u>\$ 6,224</u>
Disbursements				
Current:				
General Government	\$ 263,200	\$ 29,200	\$ 27,570	\$ 1,630
Public Safety	92,000	305,000	279,159	25,841
<i>Total Disbursements</i>	<u>\$ 355,200</u>	<u>\$ 334,200</u>	<u>\$ 306,729</u>	<u>\$ 27,471</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(92,678)</u>	<u>(93,117)</u>	<u>(59,422)</u>	<u>33,695</u>
Other Financing Sources (Uses)				
Other Financing Sources	6,224	6,224	0	(6,224)
<i>Total Other Financing Sources (Uses)</i>	6,224	6,224	0	(6,224)
<i>Net Change in Fund Balance</i>	(86,454)	(86,893)	(59,422)	27,471
<i>Fund Balance Beginning of Year</i>	<u>98,394</u>	<u>98,394</u>	<u>98,394</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 11,940</u></u>	<u><u>\$ 11,501</u></u>	<u><u>\$ 38,972</u></u>	<u><u>\$ 27,471</u></u>

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Ambulance and Emergency Medical Services
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 71,786	\$ 135,988	\$ 135,988	\$ 0
<i>Total Receipts</i>	<u>\$ 71,786</u>	<u>\$ 135,988</u>	<u>\$ 135,988</u>	<u>\$ 0</u>
Disbursements				
Current:				
General Government	\$ 18,375	\$ 18,375	\$ 17,324	\$ 1,051
Public Safety	<u>231,000</u>	<u>231,000</u>	<u>159,444</u>	<u>71,556</u>
<i>Total Disbursements</i>	<u>\$ 249,375</u>	<u>\$ 249,375</u>	<u>\$ 176,768</u>	<u>\$ 72,607</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(177,589)</u>	<u>(113,387)</u>	<u>(40,780)</u>	<u>72,607</u>
<i>Net Change in Fund Balance</i>	(177,589)	(113,387)	(40,780)	72,607
<i>Fund Balance Beginning of Year</i>	<u>205,148</u>	<u>205,148</u>	<u>205,148</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 27,559</u></u>	<u><u>\$ 91,761</u></u>	<u><u>\$ 164,368</u></u>	<u><u>\$ 72,607</u></u>

See accompanying notes to the basic financial statements

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BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

Bethel Township, Miami County, Ohio (the Township), is a body politic and corporate established in 1807 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 also has an appointed Township Fiscal Officer. The township also employs a full-time administrator for the day-to-day management of the township office, a full time Planning and Zoning Inspector and a full time Road & Maintenance Supervisor along with one full time Road Department employee.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township provides its own fire protection. Police protection is provided by the Miami County Sheriff. The Township has a supplemental contract with the Miami County Sheriff for additional police coverage in the community.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

In 2005, the Board of Trustees of Bethel Township was instrumental in the establishment of the Bethel Township Community Improvement Corporation. The Bethel Township Community Improvement Corporation is a 501 (c) 6 tax-exempt organization and was chartered on March 31, 2005. Currently, one trustee, the fiscal officer and the township administrator serve on the Board of Governors of the Bethel Township Community Improvement Corporation.

Separately-audited statements for the Bethel Township Community Improvement Corporation are available from: Kate Reagan, Interim Vice-President, 8735 South Second Street, Tipp City, Ohio 45371.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity (continued)

C. Joint Ventures

The Board of Trustees has no joint ventures with any other entity.

The Township participates in the Ohio Township Association Risk Management Association, a public entity risk pool. Notes to the financial statements provide additional information for these entities. These organizations are:

Public Entity Risk Pool:

*Ohio Township Association Risk Management Authority
c/o Burnham and Flower of Ohio, Inc.
6797 North High Street, Ste. 131
Worthington, OH 43085*

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This 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 cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include all financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The Statement of Net Assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township'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 Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

B. Fund Accounting

The Township uses fund accounting 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 funds of the Township are all governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds for 2009 and 2008 are the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services funds.

General Fund – This Fund is used to account for all financial resources, except those required to be accounted for 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.

Fire Levy 1.5 Mil – This fund accounts for a 1.5 mil continuing levy and is used to fund fire department operations.

Fire Levy 2.0 Mil – This fund accounts for a 2.0 mil 5 year Replacement levy which was passed in November 2008 and is used to support the needs of the Township's fire department.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds (continued)

Ambulance and Emergency Medical Services – This fund accounts the revenues generated from the emergency medical services the provided by the Township.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency 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 ordinance, 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 Township may appropriate.

The appropriation resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established 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 Township Fiscal 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 Township.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. 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 (contra revenue), respectively.

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit, a sweep account, and passbook savings. The nonnegotiable certificates of deposits are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$30,736, with another \$3,125 assigned to other Township funds. Interest receipts credited to the General Fund during 2008 was \$45,372, with another \$13,995 assigned to other Township funds.

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 – Summary of Significant Accounting Policies (continued)

I. 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 Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's 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 another financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are 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. Net assets restricted for other purposes include resources restricted for road and bridge maintenance, fire protection, and emergency rescue services.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 3 – Accountability and Compliance

Ohio Revised Code Section 5705.41 (D) states no order or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Note 4 – 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 Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis are presented for the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services funds in 2009 and 2008.

These statements are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing sources or uses (budgetary basis) rather than as an interfund receivable or payable (cash basis). Encumbrances outstanding at year end 2009 were; \$2,888 for the General fund. Encumbrances outstanding at year end 2008 were; \$3,030 for the General fund.

Note 5 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township 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 Trustees have 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 Township 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;

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 5 – Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (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;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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. 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.

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 Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had no cash on hand which would be included as part of "Equity in Pooled Cash and Cash Equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 5 – Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, the carrying amounts of the Township's deposits were \$3,573,246 and the bank balance was \$3,617,274. Of the bank balance \$3,367,274 was exposed to custodial risk, and \$500,000 was covered by Federal Deposit Insurance Corporation. At December 31, 2008, the carrying amounts of the Township's deposits were \$3,180,251 and the bank balance was \$3,228,722. Of the bank balance \$2,728,722 was exposed to custodial risk, and \$500,000 was covered by Federal Deposit Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, respectively, on the assessed values as of January 1, 2009 and 2008, respectively, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due in February each year; if paid semiannually, the first payment is due in February, with the remainder payable by July of each year. Under certain circumstances, State statute permits alternate payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31st of that calendar year, and at the tax rates as determined in the preceding year.

In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at twenty-five percent of its true value. As part of the phase out of the personal property tax, the assessment percentage of personal property was reduced to 6.25% for 2008. The tax was entirely phased out in 2009. Amounts paid by multi-county taxpayers are due September 20th of the year assessed. Single county taxpayers may pay annually or semi-annually the first payment due April 30th, the remainder payable by September 30th.

Public utility property tax revenue received in 2009 and 2008, represent the collection of calendar year 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008, became a lien on December 31, 2007 and 2006, and are collected with real property taxes. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility real property is assessed at thirty-five percent of true value; public utility property taxes are payable on the same dates as real property as described previously.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6 – Property Taxes (continued)

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008, was \$9.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	<u>2009</u>	<u>2008</u>
Real Property		
Agriculture/Residential	\$113,481,450	\$112,349,200
Commercial/Industrial/Mineral	13,457,040	12,065,250
Public Utility – Personal Property	5,928,910	5,736,180
Personal Property	1,992,060	3,364,750
Total Assessed Value	<u>\$134,859,460</u>	<u>\$133,515,380</u>

Note 7 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For occurrences prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year. For occurrences on or after January 1, 2006, OTARMA retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management (continued)

Property Coverage

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined OTARMA members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective OTARMA member.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Retained earnings	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$10.9 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.9 million and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$30,470. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Year</u>	<u>Contribution</u>
2009	\$23,013
2008	\$21,375
2007	\$19,856

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 7 – Risk Management (continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and December 31, 2008 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2009 and 2008 was 14.0 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$45,295, \$48,793, and \$44,256, respectively. The full amount has been contributed for 2009, 2008, and 2007.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 8 – Defined Benefit Pension Plan (continued)

B. Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. For 2009 and 2008, a portion of the Township’s contributions equal to 7.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township required contributions to OP&F for the years ended on December 31, 2009, 2008, and 2007 were \$15,873, \$15,468, and \$12,005. The full amount has been contributed for 2009, 2008, and 2007.

Note 9 – Post employment Benefits

A. Ohio Public Employees Retirement System

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.

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan. For qualifying members of the Traditional Pension and Combined Plans, this plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement. Those belonging to the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEN benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 9 – Post employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, local government employer units contributed at 14 percent and 14 percent of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008 through March 31, 2009, the employer contribution allocated to the health care plan was 7.0 percent and 5.5 percent from April 1 through December 31, 2009, respectively, of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$18,571, \$19,517, and \$28,766, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

The OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependants.

OP&F provides access to post-employment health care coverage for any person who receives or eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Financial Statements

For the Years Ended December 31, 2009 and 2008

Note 9 – Post employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at the rate expressed as percentages of the payroll of active pension plan members, currently 19.50 percent of covered payroll for police employers. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of the covered payroll for police employer units. Active members do not make contributions to the OPEB plan.

OP&F maintains funds for health care in two separate accounts: One for health care benefits under IRS Code Section 115 trust and the other for Medicare Part B reimbursements administered under the Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2009 and December 31, 2008, the employer contribution allocated to the health care plan was 8.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$4,460, \$4,347, and \$3,373, respectively; 100 percent has been contributed for 2009, 2008, and 2007.

Note 10 – Related Organizations

The Township fully participates and cooperates with the Bethel Township Community Improvement Corporation. Currently, a member of the Board of Trustees, the Township Fiscal Officer and the Township Administrator constitute over half of the Board of Governors of the Bethel Township Community Improvement Corporation. Information requests regarding the Bethel Township Community Improvement Corporation may be sent to: *Kate Reagan, Interim Vice-President, Bethel Township Community Improvement Corporation, 8735 South Second Street, Tipp City, OH 45371*

Note 11 – Subsequent Events

Management has evaluated subsequent events through May 25, 2010, the date on which the financial statements were available for issue. No subsequent events which would warrant inclusion were discovered during the review.

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MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Bethel Township
Miami County
8735 South Second Street
Tipp City, Ohio 45371

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Miami County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 25, 2010, wherein we noted the Township prepared its financial statements on a cash basis, a comprehensive basis other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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 a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weakness, as defined above.

Compliance and Other Matters

As part of reasonably assuring 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 agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2009-001.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 25, 2010.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

Manning & Associates CPAs, LLC
Dayton, Ohio

May 25, 2010

**BETHEL TOWNSHIP
MIAMI COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D) (1) and 5705.41 (D) (3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the Township.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding \$5,000 (an amount established by resolution or ordinance adopted by the legislative authority, effective September 26, 2003) against any specific line item account over a period exceeding three months (three month limitation was eliminated effective September 26, 2003) or running beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super blanket certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

**BETHEL TOWNSHIP
MIAMI COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2009-001, continued

Unless the exception noted above is used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Township's Fiscal Officer certify that the funds are or will be available prior to the obligation by the Township. When prior certification is not possible, "then and now" certification should be used

The Township had issued purchase orders after the incurrence of an expense without certifying the purchase order as a "Then and Now." In 2009, 13 percent and in 2008, 11 percent of the expenditures tested were not properly certified or exceeded the \$3,000 limit for then and now.

Response: The Township implemented procedures to ensure the purchase orders are properly completed prior to incurring obligations. The Township will continue to improve and decrease the percentage each year and strive to reach the goal of zero percent for noncompliance.

**BETHEL TOWNSHIP
MIAMI COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2007-001	ORC Sec. 5705.41(D) - Expenditures were not properly certified and Then and Now POs were issued in excess of allowable amounts	No	Reissued as 2009-001
2007-002	Ohio Admin. Code Sec. 117-2 Books and Records Annual report contained errors requiring adjustment and 941s and W-2s were not prepared properly	Partially	Reissued as management letter comment.
2007-003	Lack of monitoring over EMS billings and payments by TPA resulting in deposits being made to closed account for months	Yes	



Mary Taylor, CPA
Auditor of State

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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2010**