

BETHEL TOWNSHIP

MIAMI COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010



Dave Yost • 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, 2010 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 16, 2012

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MIAMI COUNTY**

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The logo for Manning & Associates Certified Public Accountants, LLC. It features the company name in a serif font, with 'Manning' in black and '& Associates' in red. Below the name, 'Certified Public Accountants, LLC' is written in a smaller, black serif font. The entire logo is set against a black rectangular background with a white border. The background of the page is a light yellow color with a dark grey curved border at the top.

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

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, 2011 and 2010, 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, 2011 and 2010 and the respective changes in cash financial position and the respective budgetary comparison for year ended December 31, 2011 for the General, Fire Levy 1.5 Mil, and Fire Levy 2.0 Mill.; and for year ended December 31, 2010 for the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mill, and Ambulance and Emergency Medical Services Funds thereof in conformity with the basis of accounting Note 2 describes.

As described in Note 3, the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2012, 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.

We conducted our audit to opine on the Township's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Manning & Associates CPAs, LLC
Dayton, Ohio

June 15, 2012

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BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
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, 2011 and 2010, 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 2011 are as follows:

Net assets of governmental activities decreased \$83,222, or 2.1 percent, a significant change from the prior year. In total, revenues for the township decreased by 3.9 percent over the previous year. The greatest decrease in funds was in the General Fund.

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. Grants and entitlement receipts represent 18 percent of the total cash received for governmental activities during the year. Property tax receipts for 2011 have changed little as development within the Township has slowed.

The Government continues to have carryover balances due the passage of a 3.8-mill levy adopted by voters in August of 2003 and renewed in November of 2008 for an additional five (5) years. This levy's primary purpose was for infrastructure improvements in the Township, such as sanitary sewer and water line installation, zoning code and comprehensive land use updates and economic development activities to strengthen the Township outlook for the future. 3.8 mil monies have been and are currently helping to fund the Brandt Sanitary Sewer Project, which is near completion, and the Phoneton Sewer Project, which is currently under construction. As part of the Phoneton Sewer Project, the Township will pay 100% of the cost to bring sanitary sewer service to the Bethel Local School building located on State Route 201.

The Township continues to have watchful eye on our carryover balances because of the increased cost in day-to-day operating expenses, such as the cost of fuel to operate Township equipment and declining revenue for various reasons during this volatile economic cycle the nation has been in for several years. The Township continues to be proactive in cutting cost whenever and where ever possible. Examples of this include, but are not limited to, analysis of utility bills and insurance premiums, services provided and the Township has not given any raises to any full or part time employee in the past three (3) years.

Key highlights for 2010 are as follows:

Net assets of governmental activities increased \$373,887, or 10.5 percent, a significant change from the prior year. In total, revenues for the township increased by 2.3 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 11 percent.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

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 2010 increased over 2009.

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.

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 2011 and 2010, 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.

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MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

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.

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 2011 are the General, Fire Levy 1.5 Mil, and Fire Levy 2.0 Mil funds. The Township's major governmental funds for 2010 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, 2011 and 2010
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2011, 2010, and 2009 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2011	2010	2009
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,863,911	\$ 3,947,133	\$ 3,573,246
Investments	0	0	0
Total Assets	\$ 3,863,911	\$ 3,947,133	\$ 3,573,246
Net Assets			
Restricted For:			
Capital Outlay	2,560	450	2,348
Permanent Fund	17,265	16,412	16,392
Other Purposes	1,445,919	1,129,708	1,030,035
Unrestricted	2,398,167	2,800,563	2,524,471
Total Net Assets	\$ 3,863,911	\$ 3,947,133	\$ 3,573,246

As mentioned previously, net assets of governmental activities decreased \$83,222 or 2.1 percent during 2011 and increased \$373,887 or 10.5 percent during 2010. The primary reasons contributing to the increases in cash balances are as follows:

- For increase in General Fund carryover due to 3.8 mil levy funds not being spent.
- For 2011, spending increase for road improvements needed.
- For 2011, purchase of a fire truck.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

The Township as a Whole (continued)

Table 2 reflects the changes in net assets on a cash basis in 2011, 2010, and 2009.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2011	2010	2009
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 126,445	\$ 166,405	\$ 151,989
Operating Grants and Contributions	93,994	92,278	98,345
Total Program Receipts	<u>220,439</u>	<u>258,683</u>	<u>250,334</u>
General Receipts:			
Property and Other Local Taxes	1,049,554	1,090,824	1,048,670
Grants and Entitlements Not Restricted to Specific Programs	296,679	256,918	308,937
Cable Franchise Fees	25,844	25,472	0
Sale of Fixed Assets	0	0	7,850
Earnings on Investments	14,787	18,020	33,861
Miscellaneous	24,249	48,725	9,772
Total General Receipts	<u>\$ 1,411,113</u>	<u>\$ 1,439,959</u>	<u>\$ 1,409,090</u>
Total Receipts	<u>\$ 1,631,552</u>	<u>\$ 1,698,642</u>	<u>\$ 1,659,424</u>
Disbursements:			
General Government	576,084	642,034	613,473
Public Safety	424,409	467,165	417,455
Public Works	205,285	136,521	87,759
Health	3,122	4,150	8,873
Conservation-Recreation	16,587	15,665	345
Capital Outlay	489,287	59,220	138,524
Total Disbursements	<u>\$ 1,714,774</u>	<u>\$ 1,324,755</u>	<u>\$ 1,266,429</u>
Increase (Decrease) in Net Assets	(83,222)	373,887	392,995
Net Assets, January 1	<u>3,947,133</u>	<u>3,573,246</u>	<u>3,180,251</u>
Net Assets, December 31	<u>\$ 3,863,911</u>	<u>\$ 3,947,133</u>	<u>\$ 3,573,246</u>

Program receipts represent 14, 15, and 15 percent for 2011, 2010, and 2009, 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 86 percent and 85 percent of the Township's total receipts in 2011 and 2010, respectively; of this amount over 74 percent and 76 percent in 2011 and 2010, respectively, are local

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

The Township as a Whole (continued)

taxes. Earnings on Investments and State and Federal Grants and Entitlements comprise 2 percent and 21 percent for 2011; and 1 percent and 18 percent for 2010, respectively. Other receipts are insignificant and somewhat unpredictable revenue sources.

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 36 percent and 46 percent for the years 2011 and 2010 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 2011 are for general government, public safety, capital outlay, and public works, which account for 34 percent, 25 percent, 29 percent, and 12 percent of all governmental disbursements. The major program disbursements for governmental activities in 2010 are for general government, public safety, and public works, which account for 48 percent, 35 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
	2011	2011	2010	2010	2009	2009
General Government	\$ 576,084	\$ 569,125	\$ 642,034	\$ 628,521	\$ 613,473	\$ 576,292
Public Safety	424,409	306,099	467,165	316,220	417,455	306,305
Public Works	205,285	112,823	136,521	44,140	87,759	(10,586)
Health	3,122	414	4,150	2,306	8,873	5,215
Conservation-Recreation	16,587	16,587	15,665	15,665	345	345
Capital Outlay	489,287	489,287	59,220	59,220	138,524	138,524
Total Expenses	\$ 1,714,774	\$ 1,494,335	\$ 1,324,755	\$ 1,066,072	\$ 1,266,429	\$ 1,016,095

The dependence upon property and other local tax receipts is apparent in 2011 and 2010 as 87 percent and 80 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, 2011 and 2010
Unaudited

The Township's Funds

Total governmental funds had receipts of \$1,631,552 and \$1,698,642 and disbursements of \$1,714,774 and \$1,324,755 for 2011 and 2010, respectively. The greatest change within governmental funds occurred within the General Fund both years. The fund balance of the General Fund decreased \$402,396 and increased \$276,092 for 2011 and 2010, respectively. The General Fund advanced the Fire Levy 1.5 mil fund \$355,489, which accounted for a significant amount of the decrease for 2011.

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 2011 and 2010 are the General Fund, Fire Levy 1.5 Mil., Fire Levy 2.0 Mil., and the Ambulance and Emergency Medical Services Funds.

For 2011, the general funds receipts were greater than budget expectations. Actual receipts of \$702,422 were over the budgeted amount of \$617,950 for 2011 due to higher than anticipated general fund receipts. For 2010, the general fund receipts were greater than budget expectations. Actual receipts for 2010 were \$647,177 were over the budgeted amount of \$644,342.

Disbursements for 2011 for the general fund were appropriated at \$3,320,357 while actual disbursements were \$767,222. Disbursements for 2010 for the general fund were appropriated at \$2,654,708 while actual disbursements were \$372,085. 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.

Current Issues

For 2011, the Board of Trustees of Bethel Township, Miami County, continued to work to address the infrastructure needs of its residents. The Township partnered with the Miami County Board of Commissioners' to address the unsanitary conditions in the hamlet of Brandt that have been caused by continual septic tank failure for roughly 107 homes in the Township in the vicinity of the intersection of State Route 201 and US Route 40. The Township contributed monies to help offset the assessment for the cost of construction of the Brandt Sanitary Sewer System. Miami County also received Ohio Public Work's Commission (OPWC) funding, as well as Ohio EPA DFAS monies to offset the cost of assessments to the residents of Brandt. This was an outstanding example of two (2) governmental jurisdictions working together for the betterment of the community as a whole. As part of the completion of the Brandt Sanitary Sewer System, the Township repaved almost two (2) miles of roadway within the hamlet of Brandt. The roadways had not been resurfaced in well over two (2) decades and were in desperate need of repaving due to age and many of the roads having been trenched through during construction of the sanitary sewer. 3.8 mil monies were utilized for this project.

BETHEL TOWNSHIP
MIAMI COUNTY
Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010
Unaudited

In addition to the Brandt Sewer Project, the Phoneton Sewer Project was bid and awarded by the Miami County Commissioners' in 2011, with construction beginning in spring of 2012. Again the Township and County have collaborated on this project. The Township has committed to paying for the entire sanitary sewer line to the Bethel Local School Building located on State Route 201 at a cost not to exceed approximately \$408,000.00. This sewer line will provided much needed wastewater treatment to the 900 plus students of our district, and will also allow for future infrastructure improvements, if needed, by Township residents along the route of the sewer line.

At the completion of both of these projects, the Township will turn its infrastructure attention to providing water to the Phoneton area.

In addition, 3.8 mil levy funds were earmarked for a newly established Agricultural Easement Purchase Program. In 2011, 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, 2011

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,863,911	\$ 3,863,911
<i>Total Assets</i>	3,863,911	3,863,911
 Net Assets		
Restricted For:		
Capital Projects	2,560	2,560
Permanent Funds	17,265	17,265
Other Purposes	1,445,919	1,445,919
Unrestricted	2,398,167	2,398,167
<i>Total Net Assets</i>	\$ 3,863,911	\$ 3,863,911

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2011*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 576,084	\$ 6,959	\$ 0	\$ (569,125)
Public Safety	424,409	112,450	5,860	(306,099)
Public Works	205,285	4,328	88,134	(112,823)
Health	3,122	2,708	0	(414)
Conservation-Recreation	16,587	0	0	(16,587)
Capital Outlay	489,287	0	0	(489,287)
<i>Total Governmental Activities</i>	<u>\$ 1,714,774</u>	<u>\$ 126,445</u>	<u>\$ 93,994</u>	<u>\$ (1,494,335)</u>

General Receipts

Property Taxes	\$ 1,012,190
Other Taxes	37,364
Grants and Entitlements not Restricted to Specific Programs	296,679
Cable Franchise Fees	25,844
Earnings on Investments	14,787
Miscellaneous	24,249
<i>Total General Receipts</i>	<u>1,411,113</u>
Change in Net Assets	(83,222)
<i>Net Assets Beginning of Year</i>	<u>3,947,133</u>
<i>Net Assets End of Year</i>	<u>\$ 3,863,911</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, 2011

	<u>General</u>	<u>Fire Levy 1.5 Mil</u>	<u>Fire Levy 2.0 Mil</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Equivalents	\$ 2,398,167	\$ 531,600	\$ 181,022	\$ 753,122	\$ 3,863,911
<i>Total Assets</i>	<u>2,398,167</u>	<u>531,600</u>	<u>181,022</u>	<u>753,122</u>	<u>3,863,911</u>
Fund Balances					
Nonspendable	0	0	0	9,500	9,500
Restricted	0	531,600	181,022	743,622	1,456,244
Assigned	17,893	0	0	0	17,893
Unassigned	2,380,274	0	0	0	2,380,274
<i>Total Fund Balances</i>	<u>\$ 2,398,167</u>	<u>\$ 531,600</u>	<u>\$ 181,022</u>	<u>\$ 753,122</u>	<u>\$ 3,863,911</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, 2011*

	General	Fire Levy 1.5 Mil	Fire Levy 2.0 Mil	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 436,164	\$ 160,482	\$ 218,293	\$ 234,615	\$ 1,049,554
Charges for Services	0	0	0	112,450	112,450
Licenses, Permits and Fees	28,440	0	0	2,708	31,148
Fines and Forfeitures	4,363	0	0	0	4,363
Intergovernmental	216,841	26,318	30,765	116,749	390,673
Special Assessments	0	0	0	4,328	4,328
Earnings on Investments	13,343	0	0	1,444	14,787
Miscellaneous	3,271	10,081	3,190	7,707	24,249
<i>Total Receipts</i>	<u>\$ 702,422</u>	<u>\$ 196,881</u>	<u>\$ 252,248</u>	<u>\$ 480,001</u>	<u>\$ 1,631,552</u>
Disbursements					
Current:					
General Government	\$ 333,140	\$ 48,271	\$ 13,948	\$ 180,725	\$ 576,084
Public Safety	0	167,411	139,275	117,723	424,409
Public Works	0	0	0	205,285	205,285
Health	0	0	0	3,122	3,122
Conservation-Recreation	0	0	0	16,587	16,587
Capital Outlay	416,189	0	0	73,098	489,287
<i>Total Disbursements</i>	<u>\$ 749,329</u>	<u>\$ 215,682</u>	<u>\$ 153,223</u>	<u>\$ 596,540</u>	<u>\$ 1,714,774</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ (46,907)</u>	<u>\$ (18,801)</u>	<u>\$ 99,025</u>	<u>\$ (116,539)</u>	<u>\$ (83,222)</u>
Other Financing Sources (Uses)					
Advances In	0	355,489	0	0	355,489
Advances Out	(355,489)	0	0	0	(355,489)
<i>Total Other Financing Sources (Uses)</i>	(355,489)	355,489	0	0	0
<i>Net Change in Fund Balances</i>	(402,396)	336,688	99,025	(116,539)	(83,222)
<i>Fund Balances Beginning of Year</i>	<u>\$ 2,800,563</u>	<u>\$ 194,912</u>	<u>\$ 81,997</u>	<u>\$ 869,661</u>	<u>\$ 3,947,133</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,398,167</u>	<u>\$ 531,600</u>	<u>\$ 181,022</u>	<u>\$ 753,122</u>	<u>\$ 3,863,911</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, 2011

	<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	\$ 428,737	\$ 428,737	\$ 436,164	\$ 7,427
Licenses, Permits, and Fees	29,600	29,600	28,440	(1,160)
Fines and Forfeitures	8,100	8,100	4,363	(3,737)
Intergovernmental	131,013	131,013	216,841	85,828
Earnings on Investments	18,000	18,000	13,343	(4,657)
Miscellaneous	2,500	2,500	3,271	771
<i>Total Receipts</i>	<u>\$ 617,950</u>	<u>\$ 617,950</u>	<u>\$ 702,422</u>	<u>\$ 84,472</u>
Disbursements				
Current:				
General Government	\$ 410,421	\$ 398,421	\$ 351,033	\$ 47,388
Conservation-Recreation	55,000	11,052	0	11,052
Capital Outlay	2,910,884	2,910,884	416,189	2,494,695
<i>Total Disbursements</i>	<u>\$ 3,376,305</u>	<u>\$ 3,320,357</u>	<u>\$ 767,222</u>	<u>\$ 2,553,135</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,758,355)</u>	<u>(2,702,407)</u>	<u>(64,800)</u>	<u>2,637,607</u>
Other Financing Sources (Uses)				
Advances Out	0	0	(355,489)	(355,489)
Other Financing Sources	725	725	0	(725)
Other Financing Uses	(285)	(285)	0	285
<i>Total Other Financing Sources (Uses)</i>	<u>440</u>	<u>440</u>	<u>(355,489)</u>	<u>(355,929)</u>
<i>Net Change in Fund Balance</i>	(2,757,915)	(2,701,967)	(420,289)	2,281,678
<i>Fund Balance Beginning of Year</i>	2,799,563	2,799,563	2,799,563	0
<i>Prior Year Encumbrances Appropriated</i>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 42,648</u></u>	<u><u>\$ 98,596</u></u>	<u><u>\$ 2,380,274</u></u>	<u><u>\$ 2,281,678</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, 2011

	<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	\$ 150,143	\$ 150,143	\$ 160,482	\$ 10,339
Intergovernmental	22,058	22,058	26,318	4,260
Miscellaneous	0	6,427	10,081	3,654
<i>Total Receipts</i>	<u>\$ 172,201</u>	<u>\$ 178,628</u>	<u>\$ 196,881</u>	<u>\$ 18,253</u>
Disbursements				
Current:				
General Government	\$ 55,401	\$ 55,401	\$ 49,715	\$ 5,686
Public Safety	236,625	236,625	183,798	52,827
<i>Total Disbursements</i>	<u>\$ 292,026</u>	<u>\$ 292,026</u>	<u>\$ 233,513</u>	<u>\$ 58,513</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(119,825)</u>	<u>(113,398)</u>	<u>(36,632)</u>	<u>76,766</u>
Other Financing Sources (Uses)				
Advances In	0	355,489	355,489	0
Other Financing Sources	6,427	0	0	0
<i>Total Other Financing Sources (Uses)</i>	6,427	355,489	355,489	0
<i>Net Change in Fund Balance</i>	(113,398)	242,091	318,857	76,766
<i>Fund Balance Beginning of Year</i>	194,249	194,249	194,249	0
<i>Prior Year Encumbrances Appropriated</i>	<u>\$ 663</u>	<u>\$ 663</u>	<u>\$ 663</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 81,514</u></u>	<u><u>\$ 437,003</u></u>	<u><u>\$ 513,769</u></u>	<u><u>\$ 76,766</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, 2011

	<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	\$ 209,032	\$ 209,032	\$ 233,486	\$ 24,454
Intergovernmental	30,922	30,922	15,572	(15,350)
Miscellaneous	<u>0</u>	<u>8,570</u>	<u>3,190</u>	<u>(5,380)</u>
<i>Total Receipts</i>	<u>\$ 239,954</u>	<u>\$ 248,524</u>	<u>\$ 252,248</u>	<u>\$ 3,724</u>
Disbursements				
Current:				
General Government	\$ 15,750	\$ 15,750	\$ 13,948	\$ 1,802
Public Safety	196,083	171,083	148,802	22,281
Capital Outlay	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<i>Total Disbursements</i>	<u>\$ 211,833</u>	<u>\$ 211,833</u>	<u>\$ 162,750</u>	<u>\$ 49,083</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>28,121</u>	<u>36,691</u>	<u>89,498</u>	<u>52,807</u>
Other Financing Sources (Uses)				
Other Financing Sources	<u>8,570</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	8,570	0	0	0
<i>Net Change in Fund Balance</i>	36,691	36,691	89,498	52,807
<i>Fund Balance Beginning of Year</i>	<u>81,997</u>	<u>81,997</u>	<u>81,997</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 118,688</u>	<u>\$ 118,688</u>	<u>\$ 171,495</u>	<u>\$ 52,807</u>

See accompanying notes to the basic financial statements

BETHEL TOWNSHIP
MIAMI COUNTY
Statement of Net Assets - Cash Basis
December 31, 2010

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,947,133	\$ 3,947,133
<i>Total Assets</i>	3,947,133	3,947,133
 Net Assets		
Restricted For:		
Capital Projects	450	450
Permanent Funds	16,412	16,412
Other Purposes	1,129,708	1,129,708
Unrestricted	2,800,563	2,800,563
<i>Total Net Assets</i>	\$ 3,947,133	\$ 3,947,133

See accompanying notes to the basic financial statements

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2010*

	Cash Disbursements	Program Cash Receipts Charges for Services and Sales	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
Governmental Activities				
General Government	\$ 642,034	\$ 13,513	\$ 0	\$ (628,521)
Public Safety	467,165	150,945	0	(316,220)
Public Works	136,521	103	92,278	(44,140)
Health	4,150	1,844	0	(2,306)
Conservation-Recreation	15,665	0	0	(15,665)
Capital Outlay	59,220	0	0	(59,220)
<i>Total Governmental Activities</i>	\$ 1,324,755	\$ 166,405	\$ 92,278	\$ (1,066,072)

General Receipts

Property Taxes	\$ 1,052,876
Other Taxes	37,948
Grants and Entitlements not Restricted to Specific Programs	256,918
Cable Franchise Fees	25,472
Earnings on Investments	18,020
Miscellaneous	48,725
<i>Total General Receipts</i>	1,439,959
Change in Net Assets	373,887
<i>Net Assets Beginning of Year</i>	3,573,246
<i>Net Assets End of Year</i>	\$ 3,947,133

See accompanying notes to the basic financial statements

BETHEL TOWNSHIP
MIAMI COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	<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	\$ 2,800,563	\$ 194,912	\$ 81,997	\$ 156,367	\$ 713,294	\$ 3,947,133
<i>Total Assets</i>	<u>2,800,563</u>	<u>194,912</u>	<u>81,997</u>	<u>156,367</u>	<u>713,294</u>	<u>3,947,133</u>
Fund Balances						
Nonspendable	0	0	0	0	9,500	9,500
Restricted	0	194,912	81,997	156,367	703,794	1,137,070
Assigned	1,000	0	0	0	0	1,000
Unassigned	<u>2,799,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,799,563</u>
<i>Total Fund Balances</i>	<u>\$ 2,800,563</u>	<u>\$ 194,912</u>	<u>\$ 81,997</u>	<u>\$ 156,367</u>	<u>\$ 713,294</u>	<u>\$ 3,947,133</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, 2010*

	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	\$ 458,454	\$ 162,368	\$ 219,683	\$ 0	\$ 250,319	\$ 1,090,824
Charges for Services	0	0	0	150,945	0	150,945
Licenses, Permits and Fees	30,927	0	0	0	1,844	32,771
Fines and Forfeitures	8,058	0	0	0	0	8,058
Intergovernmental	125,841	22,166	31,090	11,583	158,516	349,196
Special Assessments	0	0	0	0	103	103
Earnings on Investments	17,520	0	0	0	500	18,020
Miscellaneous	6,377	13,663	16,480	9,841	2,364	48,725
<i>Total Receipts</i>	<u>\$ 647,177</u>	<u>\$ 198,197</u>	<u>\$ 267,253</u>	<u>\$ 172,369</u>	<u>\$ 413,646</u>	<u>\$ 1,698,642</u>
Disbursements						
Current:						
General Government	\$ 368,243	\$ 78,627	\$ 33,417	\$ 19,954	\$ 141,793	\$ 642,034
Public Safety	0	90,371	240,914	114,391	21,489	467,165
Public Works	0	0	0	0	136,521	136,521
Health	0	0	0	0	4,150	4,150
Conservation-Recreation	0	0	0	0	15,665	15,665
Capital Outlay	2,842	0	0	0	56,378	59,220
<i>Total Disbursements</i>	<u>\$ 371,085</u>	<u>\$ 168,998</u>	<u>\$ 274,331</u>	<u>\$ 134,345</u>	<u>\$ 375,996</u>	<u>\$ 1,324,755</u>
<i>Receipts Over(Under) Disbursements</i>	<u>\$ 276,092</u>	<u>\$ 29,199</u>	<u>\$ (7,078)</u>	<u>\$ 38,024</u>	<u>\$ 37,650</u>	<u>\$ 373,887</u>
<i>Net Change in Fund Balances</i>	276,092	29,199	(7,078)	38,024	37,650	373,887
<i>Fund Balances Beginning of Year</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>
<i>Fund Balances End of Year</i>	<u>\$ 2,800,563</u>	<u>\$ 194,912</u>	<u>\$ 81,997</u>	<u>\$ 156,367</u>	<u>\$ 713,294</u>	<u>\$ 3,947,133</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, 2010

	<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	\$ 496,133	\$ 516,664	\$ 458,454	\$ (58,210)
Licenses, Permits, and Fees	5,000	5,442	30,927	25,485
Fines and Forfeitures	6,500	8,058	8,058	0
Intergovernmental	86,631	67,366	125,841	58,475
Earnings on Investments	10,000	15,982	17,520	1,538
Miscellaneous	28,000	30,830	6,377	(24,453)
<i>Total Receipts</i>	<u>\$ 632,264</u>	<u>\$ 644,342</u>	<u>\$ 647,177</u>	<u>\$ 2,835</u>
Disbursements				
Current:				
General Government	\$ 483,271	\$ 877,150	\$ 369,243	\$ 507,907
Conservation-Recreation	55,000	11,052	0	11,052
Capital Outlay	2,570,310	1,766,506	2,842	1,763,664
<i>Total Disbursements</i>	<u>\$ 3,108,581</u>	<u>\$ 2,654,708</u>	<u>\$ 372,085</u>	<u>\$ 2,282,623</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,476,317)</u>	<u>(2,010,366)</u>	<u>275,092</u>	<u>2,285,458</u>
Other Financing Sources (Uses)				
Other Financing Sources	0	836	0	(836)
Other Financing Uses	0	(285)	0	285
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>551</u>	<u>0</u>	<u>(551)</u>
<i>Net Change in Fund Balance</i>	(2,476,317)	(2,009,815)	275,092	2,284,907
<i>Fund Balance Beginning of Year</i>	2,521,583	2,521,583	2,521,583	0
<i>Prior Year Encumbrances Appropriated</i>	<u>\$ 2,888</u>	<u>\$ 2,888</u>	<u>\$ 2,888</u>	<u>\$ 0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 48,154</u></u>	<u><u>\$ 514,656</u></u>	<u><u>\$ 2,799,563</u></u>	<u><u>\$ 2,284,907</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, 2010

	<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	\$ 170,956	\$ 162,376	\$ 162,368	\$ (8)
Intergovernmental	0	22,059	22,166	107
Miscellaneous	0	12,997	13,663	666
<i>Total Receipts</i>	<u>\$ 170,956</u>	<u>\$ 197,432</u>	<u>\$ 198,197</u>	<u>\$ 765</u>
Disbursements				
Current:				
General Government	\$ 117,836	\$ 118,829	\$ 79,290	\$ 39,539
Public Safety	127,103	156,509	90,371	66,138
<i>Total Disbursements</i>	<u>\$ 244,939</u>	<u>\$ 275,338</u>	<u>\$ 169,661</u>	<u>\$ 105,677</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(73,983)</u>	<u>(77,906)</u>	<u>28,536</u>	<u>106,442</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	0	0	0
Other Financing Sources	7,024	0	0	0
<i>Total Other Financing Sources (Uses)</i>	7,024	0	0	0
<i>Net Change in Fund Balance</i>	(66,959)	(77,906)	28,536	106,442
<i>Fund Balance Beginning of Year</i>	<u>165,713</u>	<u>165,713</u>	<u>165,713</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 98,754</u>	<u>\$ 87,807</u>	<u>\$ 194,249</u>	<u>\$ 106,442</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, 2010

	<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	\$ 238,218	\$ 219,714	\$ 219,683	\$ (31)
Intergovernmental	0	30,921	31,090	169
Miscellaneous	0	77,191	16,480	(60,711)
<i>Total Receipts</i>	<u>\$ 238,218</u>	<u>\$ 327,826</u>	<u>\$ 267,253</u>	<u>\$ (60,573)</u>
Disbursements				
Current:				
General Government	\$ 32,513	\$ 33,513	\$ 33,417	\$ 96
Public Safety	262,531	329,531	240,914	88,617
<i>Total Disbursements</i>	<u>\$ 295,044</u>	<u>\$ 363,044</u>	<u>\$ 274,331</u>	<u>\$ 88,713</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(56,826)</u>	<u>(35,218)</u>	<u>(7,078)</u>	<u>28,140</u>
Other Financing Sources (Uses)				
Other Financing Sources	9,366	0	0	0
<i>Total Other Financing Sources (Uses)</i>	9,366	0	0	0
<i>Net Change in Fund Balance</i>	(47,460)	(35,218)	(7,078)	28,140
<i>Fund Balance Beginning of Year</i>	<u>89,075</u>	<u>89,075</u>	<u>89,075</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 41,615</u></u>	<u><u>\$ 53,857</u></u>	<u><u>\$ 81,997</u></u>	<u><u>\$ 28,140</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, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 92,700	\$ 175,077	\$ 150,945	\$ (24,132)
Intergovernmental	0	0	11,583	11,583
Miscellaneous	0	0	9,841	9,841
<i>Total Receipts</i>	<u>\$ 92,700</u>	<u>\$ 175,077</u>	<u>\$ 172,369</u>	<u>\$ (2,708)</u>
Disbursements				
Current:				
General Government	\$ 20,000	\$ 20,000	\$ 19,954	\$ 46
Public Safety	141,043	155,043	115,053	39,990
<i>Total Disbursements</i>	<u>\$ 161,043</u>	<u>\$ 175,043</u>	<u>\$ 135,007</u>	<u>\$ 40,036</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(68,343)</u>	<u>34</u>	<u>37,362</u>	<u>37,328</u>
<i>Net Change in Fund Balance</i>	(68,343)	34	37,362	37,328
<i>Fund Balance Beginning of Year</i>	<u>118,343</u>	<u>118,343</u>	<u>118,343</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 50,000</u>	<u>\$ 118,377</u>	<u>\$ 155,705</u>	<u>\$ 37,328</u>

See accompanying notes to the basic financial statements

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BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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: Michael Gebhart, Interim Vice-President, 8735 South Second Street, Tipp City, Ohio 45371.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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. Note 7 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 the Basis of Accounting section of this Note, 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, 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. 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 Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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 are the General, Fire Levy 1.5 Mil, and Fire Levy 2.0 Mil funds for 2011 and General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services funds for 2010.

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 Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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, function, 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 Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted 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 2011 and 2010, 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 2011 was \$13,343, with another \$1,444 assigned to other Township funds. Interest receipts credited to the General Fund during 2010 was \$17,520, with another \$500 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. Restricted assets for other purposes represent the amounts reported in the special revenue funds that are restricted as to use.

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 Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

I. 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.

J. 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.

K. 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.

L. Fund Balance Reserves

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

Non-spendable – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 2 – Summary of Significant Accounting Policies (continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

M. Interfund Transactions

Transfers between governmental 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Accounting Principle

For 2010, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the major governmental funds and all other governmental funds as previously reported.

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 fund in 2011 and the General, Fire Levy 1.5 Mil, Fire Levy 2.0 Mil, and Ambulance and Emergency Medical Services funds in 2010.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 4 – Budgetary Basis of Accounting, (continued)

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 2011 were; \$17,893 for the general fund, \$17,831 for the 1.5 mil. fire levy, and \$9,527 for the 2.0 mil. fire levy funds. Encumbrances outstanding at year end 2010 were; \$1,000 for the general fund, \$663 for the 1.5 mil. fire levy, and \$662 for the 2.0 mil. fire levy funds.

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;
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;

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 5 – Deposits and Investments (continued)

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).

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.”

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, 2011, the carrying amounts of the Township’s deposits were \$3,863,911 and the bank balance was \$3,902,909. Of the bank balance \$3,402,909 was exposed to custodial risk, and \$500,000 was covered by Federal Deposit Insurance Corporation. At December 31, 2010, the carrying amounts of the Township’s deposits were \$3,947,133 and the bank balance was \$4,026,442. Of the bank balance \$3,526,442 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.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010 on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value.

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

Public utility property tax revenue received in 2011 and 2010, represent the collection of calendar year 2010 and 2009 taxes. Public utility real and tangible personal property taxes received in 2011 and 2010, became a lien on December 31, 2010 and 2009, 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.

The full tax rate for all Township operations for the years ended December 31, 2011 and 2010, was \$9.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were based are as follows:

	<u>2011</u>	<u>2010</u>
Real Property		
Agriculture/Residential	\$117,118,220	\$114,385,950
Commercial/Industrial/Mineral	13,570,370	13,475,500
Public Utility – Personal Property	6,130,690	5,899,640
Personal Property	177,500	368,430
Total Assessed Value	<u>\$136,996,780</u>	<u>\$134,129,520</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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 7 – Risk Management, (continued)

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$ 35,855,252	\$ 38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$ 25,190,528</u>	<u>\$ 26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township’s share of these unpaid claims collectible in future years is approximately \$14,830.

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.

Contributions to OTARMA

2011	\$20,043
2010	\$24,060
2009	\$23,013

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.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

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.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members. For the years ended December 31, 2011 and December 31, 2010 members in state and local classifications contributed 10.0 percent of covered payroll. The Township's contribution rate for 2011 and 2010 was 14.0 percent of covered payroll. State statute sets a maximum contribution rate of the Township of 14.0 percent.

The Township's 2011 and 2010 contribution rates were 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2011. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009 were \$51,434, \$50,897, and \$45,295, respectively. The full amount has been contributed for 2011, 2010, and 2009.

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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 8 – Defined Benefit Pension Plan, (continued)

B. Ohio Police and Fire Pension Fund

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 - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The Township's contribution was 24 percent for firefighters. Contribution rates are established by State statute. For 2011 and 2010, a portion of the Township's contribution equal to 7.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township's required contributions to OP&F for the years ended December 31, 2011, 2010, and 2009 were \$0, \$9,981 and 15,873. The full amount has been contributed for 2011, 2010, and 2009. In 2011 no employees belonged to the plan.

Note 9 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - 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 health care plan qualifying members of both the Traditional Pension and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug plan program and Medicare Part B premium reimbursement.

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 Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in the OPERS financial report which 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.

Funding Policy – The post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). 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 health care.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 – Postemployment Benefits, (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, local government employer units contributed at 14 percent of covered payroll. 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.

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. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2011. The portion of employer contribution allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 from March 1 through December 31, 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contribution to the post-employment health care plan.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2011, 2010, and 2009 were \$21,088, \$20,868, and \$18,571, respectively; 100 percent has been contributed for 2011, 2010, and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increase over a six year period beginning on January 1, 2006, with a final increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care 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 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.

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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

BETHEL TOWNSHIP

MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 9 – Postemployment Benefits, (continued)

B. Ohio Police and Fire Pension Fund

Funding Policy – OP&Fs post-employment health care plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employer and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plans members, currently, 24 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2011 and December 31, 2010, the employer contribution allocated to the health care plan was 6.75 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 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, 2011, 2010, and 2009 were \$0, \$2,636, and \$4,460, respectively; 100 percent has been contributed for 2011, 2010, and 2009.

Note 10 – Transfers and Advances

All advances were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.15:

	<u>2011</u>
Advance from the General Fund to:	
Fire Levy 1.5 Mil	\$355,489
Total Advances	<u>\$355,489</u>

Note 11 – 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: *Michael Gebhart, Interim Vice-President, Bethel Township Community Improvement Corporation, 8735 South Second Street, Tipp City, OH 45371*

BETHEL TOWNSHIP
MIAMI COUNTY

Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010

Note 12 - Fund Balances

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

2011 Fund Balances	General	Fire Levy 1.5 Mil	Fire Levy 2.0 Mil	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Cemetery Endowment				9,500	9,500
<i>Total Nonspendable</i>	0			9,500	9,500
Restricted For					
Lighting District				2,560	2,560
Road & Bridge			0	449,287	449,287
Police Operations				125,752	125,752
Fire Operations		531,600	181,022		712,622
Emergency Medical Services				149,087	149,087
Cemetery				16,936	16,936
<i>Total Restricted</i>	0	531,600	181,022	743,622	1,456,244
Assigned to					
Unpaid Obligations	17,893				17,893
<i>Total Assigned</i>	17,893	0	0	0	17,893
Unassigned (Deficit)	2,380,274	0	0	0	2,380,274
<i>Total Fund Balances</i>	2,398,167	\$ 531,600	\$ 181,022	\$ 753,122	\$ 3,863,911

**BETHEL TOWNSHIP
MIAMI COUNTY**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2011 and 2010*

Note 12 - Fund Balances

2010 Fund Balances	General	Fire Levy 1.5 Mil	Fire Levy 2.0 Mil	Ambulance Emergency Meical Services	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Cemetery Endowment					9,500	9,500
<i>Total Nonspendable</i>	0				9,500	9,500
Restricted For						
Lighting District					450	450
Road & Bridge					547,905	547,905
Police Operations					139,793	139,793
Fire Operations		194,912	81,997			276,909
Emergency Medical Services				156,367		156,367
Cemetery					15,646	15,646
<i>Total Restricted</i>	0	194,912	81,997	156,367	703,794	1,137,070
Assigned to						
Unpaid Obligations	1,000					1,000
<i>Total Assigned</i>	1,000	0	0	0	0	1,000
Unassigned (Deficit)	2,799,563	0	0	0	0	2,799,563
<i>Total Fund Balances</i>	2,800,563	\$ 194,912	\$ 81,997	\$ 156,367	\$ 713,294	\$ 3,947,133

Note 13 - Compliance

Ohio Revenue Code Section 5705.41 (D) states no order or contracts involving 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.

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The logo for Manning & Associates Certified Public Accountants, LLC. It features the company name in a serif font, with 'Manning' in black and '& Associates' in red. Below the name, 'Certified Public Accountants, LLC' is written in a smaller, black serif font. The logo is set against a black rectangular background with a white border.

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *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, 2011 and 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 15, 2012, wherein we noted the Township uses a comprehensive basis of accounting other than generally accepted accounting principles and that the Township implemented Governmental Accounting Standards Board Statement No. 54. 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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township'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 weaknesses, 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 have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2011-001.

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 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

June 15, 2012

**BETHEL TOWNSHIP
MIAMI COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 and 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2011-001

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, 2011 and 2010

<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 2011, 12 percent and in 2010, 14 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, 2011 AND 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2009-001	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 2011-001



Dave Yost • 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
NOVEMBER 8, 2012**