

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

***FINANCIAL STATEMENTS
(AUDITED)***

FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011

BILL GILPIN, FISCAL OFFICER



Dave Yost • Auditor of State

Members of Council
Village of Bethel
120 North Main Street
Bethel, Ohio 45106

We have reviewed the *Independent Auditor's Report* of the Village of Bethel, Clermont County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2012. 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. The Village of Bethel is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

December 6, 2013

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**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
Village of Bethel
120 North Main Street
Bethel, Ohio 45106

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements and the discretely presented component unit and related notes of the Village of Bethel, Clermont County, Ohio, as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village of Bethel prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinions on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America the financial position of the Village of Bethel as of December 31, 2012 and 2011, or changes in the financial position or cash flows thereof for the years then ended.

Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and the discretely presented component unit of the Village of Bethel, Clermont County, Ohio, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 2.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2011, the Village of Bethel adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2013, on our consideration of the Village of Bethel's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Bethel's internal control over financial reporting and compliance.



Julian & Grube, Inc.
October 2, 2013

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Types			Total (Memorandum Only)	Component Unit Burke Trust
	General	Special Revenue	Capital Projects		
Cash receipts:					
Property and local taxes	\$ 157,976	\$ 169,586	\$ -	\$ 327,562	\$ -
Intergovernmental	133,685	124,526	-	258,211	-
Charges for services	140,965	2,025	-	142,990	-
Fines, licenses, and permits	54,445	4,875	-	59,320	-
Interest	12,222	988	-	13,210	34,794
Donations and contributions	-	41,907	-	41,907	-
Miscellaneous	6,090	10,925	-	17,015	-
Total cash receipts	<u>505,383</u>	<u>354,832</u>	<u>-</u>	<u>860,215</u>	<u>34,794</u>
Cash disbursements:					
Current:					
Security of persons and property	244,148	111,366	-	355,514	-
Public health services	6,230	-	-	6,230	-
Leisure time activities	5,863	16,095	-	21,958	-
Community environment	5,587	-	-	5,587	-
Transportation	-	165,437	-	165,437	-
General government	98,726	5,870	-	104,596	-
Capital outlay	-	46,842	-	46,842	-
Debt service:					
Principal retirement	8,603	-	-	8,603	-
Other - Scholarship and Grants	-	-	-	-	51,907
Total cash disbursements	<u>369,157</u>	<u>345,610</u>	<u>-</u>	<u>714,767</u>	<u>51,907</u>
Excess of receipts over/(under) disbursements	<u>136,226</u>	<u>9,222</u>	<u>-</u>	<u>145,448</u>	<u>(17,113)</u>
Other financing receipts/(disbursements):					
Proceeds from sale of assets	-	250	-	250	-
Other Financing Sources	-	-	-	-	50
Other Financing Sources - Capital Gain on Fixed Income Mutual Funds	-	-	-	-	7,148
Other Financing Uses - Gain on Sale of Investments	-	-	-	-	6,583
Other Financing Uses - Trust Funds Administrative Fees	-	-	-	-	(12,913)
Other Financing Uses - Capital Loss on Fixed Income Mutual Funds	-	-	-	-	(316)
Total other financing receipts/(disbursements)	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>	<u>552</u>
Net Change in Fund Cash Balances	136,226	9,472	-	145,698	(16,561)
Fund cash balances, January 1, 2012	<u>7,862</u>	<u>287,909</u>	<u>1,097</u>	<u>296,868</u>	<u>1,216,612</u>
Fund cash balances, December 31, 2012					
Nonspendable	4,133	-	-	4,133	-
Restricted	-	295,446	1,097	296,543	-
Committed	-	1,935	-	1,935	-
Unassigned	139,955	-	-	139,955	-
Fund cash balances, December 31, 2012	<u>\$ 144,088</u>	<u>\$ 297,381</u>	<u>\$ 1,097</u>	<u>\$ 442,566</u>	<u>\$ 1,200,051</u>

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

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY FUND TYPES AND
SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Proprietary Fund Type	Fiduciary Fund Type		Total (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
Operating cash receipts:				
Charges for services	\$ 3,543,845	\$ -	\$ -	\$ 3,543,845
Fines, Licenses and Permits	903	-	-	903
Other miscellaneous	4,401	10,000	50	14,451
Total operating cash receipts	<u>3,549,149</u>	<u>10,000</u>	<u>50</u>	<u>3,559,199</u>
Operating cash disbursements:				
Personal services	433,063	-	-	433,063
Employee fringe benefits	185,614	-	-	185,614
Contractual services	2,120,237	-	-	2,120,237
Supplies and material	101,199	-	-	101,199
Miscellaneous	226,576	-	-	226,576
Total operating cash disbursements	<u>3,066,689</u>	<u>-</u>	<u>-</u>	<u>3,066,689</u>
Operating income/(loss)	<u>482,460</u>	<u>10,000</u>	<u>50</u>	<u>492,510</u>
Nonoperating cash receipts/(disbursements):				
Property and other local	102,302	-	-	102,302
Intergovernmental	13,513	-	-	13,513
Special assessments	200	-	-	200
Miscellaneous receipts	392	-	58,395	58,787
Capital Outlay	(106,444)	-	-	(106,444)
Other financing disbursements	-	(19,935)	(58,395)	(78,330)
Debt service:				
Principal	(80,066)	-	-	(80,066)
Interest	(20,125)	-	-	(20,125)
Total nonoperating cash receipts/(disbursements)	<u>(90,228)</u>	<u>(19,935)</u>	<u>-</u>	<u>(110,163)</u>
Income/(loss) before operating transfers	392,232	(9,935)	50	382,347
Transfers in	351,000	-	-	351,000
Transfers out	<u>(351,000)</u>	<u>-</u>	<u>-</u>	<u>(351,000)</u>
Net Change in Fund Balances	392,232	(9,935)	50	382,347
Cash fund balances, January 1, 2012	<u>1,669,839</u>	<u>35,051</u>	<u>-</u>	<u>1,704,890</u>
Cash fund balances, December 31, 2012	<u>\$ 2,062,071</u>	<u>\$ 25,116</u>	<u>\$ 50</u>	<u>\$ 2,087,237</u>

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

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Governmental Fund Types				Total (Memorandum Only)	Component Unit Burke Trust
	General	Special Revenue	Debt Service	Capital Projects		
Cash receipts:						
Property and local taxes	\$ 168,074	\$ 175,650	\$ -	\$ -	\$ 343,724	\$ -
Intergovernmental	159,254	126,349	-	-	285,603	-
Special assessments	-	-	219	-	219	-
Charges for services	142,023	1,845	-	-	143,868	-
Fines, licenses, and permits	69,525	9,265	-	-	78,790	-
Interest	1,089	96	-	-	1,185	32,157
Miscellaneous	5,320	13,323	-	-	18,643	-
Total cash receipts	545,285	326,528	219	-	872,032	32,157
Cash disbursements:						
Current:						
Security of persons and property	219,351	88,765	-	-	308,116	-
Public health services	6,421	-	-	-	6,421	-
Leisure time activities	6,130	4,541	-	125	10,796	-
Community environment	3,155	-	-	-	3,155	-
Transportation	-	211,003	-	-	211,003	-
General government	112,232	7,763	10	-	120,005	-
Capital outlay	-	11,823	-	-	11,823	-
Debt service:						
Principal retirement	8,615	-	-	-	8,615	-
Other - Scholarship and Grants	-	-	-	-	-	31,538
Total cash disbursements	355,904	323,895	10	125	679,934	31,538
Excess of receipts over/(under) disbursements	189,381	2,633	209	(125)	192,098	619
Other financing receipts/(disbursements):						
Operating transfers in	-	730	15,632	-	16,362	-
Operating transfers out	(16,362)	-	-	-	(16,362)	-
Other uses	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	32
Other Financing Sources - Capital Gain on Fixed Income Mutual Funds	-	-	-	-	-	5,147
Other Financing Uses - Gain on Sale of Investments	-	-	-	-	-	11,833
Other Financing Uses - Trust Funds Administrative Fees	-	-	-	-	-	(13,078)
Other Financing Uses - Capital Loss on Fixed Income Mutual Funds	-	-	-	-	-	(25,465)
Total other financing receipts/(disbursements)	(16,362)	730	15,632	-	-	(21,531)
Net Change in Fund Cash Balances	173,019	3,363	15,841	(125)	192,098	(20,912)
Fund cash balances, January 1, 2011, restated	(165,157)	284,546	(15,841)	1,222	104,770	1,237,524
Fund cash balances, December 31, 2011						
Nonspendable	4,133	-	-	-	4,133	-
Restricted	-	285,626	-	1,097	286,723	-
Committed	-	2,283	-	-	2,283	-
Unassigned	3,729	-	-	-	3,729	-
Fund cash balances, December 31, 2011	\$ 7,862	\$ 287,909	\$ -	\$ 1,097	\$ 296,868	\$ 1,216,612

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

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY FUND TYPES AND
SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Proprietary Fund Type	Fiduciary Fund Type		Total (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
Operating cash receipts:				
Charges for services	\$ 3,835,877	\$ -	\$ -	\$ 3,835,877
Fines, Licenses and Permits	825	-	-	825
Other miscellaneous	6,723	-	-	6,723
Total operating cash receipts	<u>3,843,425</u>	<u>-</u>	<u>-</u>	<u>3,843,425</u>
Operating cash disbursements:				
Personal services	400,338	-	-	400,338
Employee fringe benefits	202,524	-	-	202,524
Contractual services	2,156,462	-	-	2,156,462
Supplies and material	65,610	-	-	65,610
Miscellaneous	155,206	-	-	155,206
Total operating cash disbursements	<u>2,980,140</u>	<u>-</u>	<u>-</u>	<u>2,980,140</u>
Operating income/(loss)	<u>863,285</u>	<u>-</u>	<u>-</u>	<u>863,285</u>
Nonoperating cash receipts/(disbursements):				
Property and other local	109,552	-	-	109,552
Intergovernmental	15,340	-	-	15,340
Special assessments	4,809	-	-	4,809
Miscellaneous receipts	15,344	22,690	71,999	110,033
Capital Outlay	(181,658)	-	-	(181,658)
Other financing disbursements	-	(16,145)	(72,416)	(88,561)
Debt service:				
Principal	(80,000)	-	-	(80,000)
Interest	(23,725)	-	-	(23,725)
Total nonoperating cash receipts/(disbursements)	<u>(140,338)</u>	<u>6,545</u>	<u>(417)</u>	<u>(134,210)</u>
Income/(loss) before operating transfers	722,947	6,545	(417)	729,075
Transfers in	359,618	-	-	359,618
Transfers out	<u>(359,618)</u>	<u>-</u>	<u>-</u>	<u>(359,618)</u>
Net change in fund cash balances	722,947	6,545	(417)	729,075
Cash fund balances, January 1, 2011, restated	<u>946,892</u>	<u>28,506</u>	<u>417</u>	<u>975,815</u>
Cash fund balances, December 31, 2011	<u>\$ 1,669,839</u>	<u>\$ 35,051</u>	<u>\$ -</u>	<u>\$ 1,704,890</u>

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

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 - DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Bethel, Clermont County, Ohio (the "Village"), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water, electric, and garbage utilities, park operations, and police services. The Village contracts with Tate Township to provide fire protection service. The Edmund G. Burke Community Trust is a discretely presented component unit of the Village of Bethel (See Note 10).

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

B. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values donated common stock, preferred stock, fixed income equity securities and mutual funds at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

C. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets (2012 and 2011).

Street and Bridge Fund - This fund receives property tax money for the purpose of general construction, reconstruction, resurfacing and repair of streets, roads and bridges (2012 and 2011).

Police Levy Fund - This fund receives real estate tax monies for Village police protection (2012 and 2011).

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Sidewalk Debt Fund - This fund receives special assessment money to fund the principal and interest payments of the Sidewalk Special Assessment Bonds. The bonds were paid off in 2007; however, because of delinquent assessments, the fund will continue to receive monies to cover the deficit fund balance (2011).

4. Capital Projects Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditures or capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had no significant capital project funds in 2012 and 2011.

5. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility (2012 and 2011).

Electric Fund - This fund receives charges for services from residents to cover the cost of providing this utility (2012 and 2011).

6. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

The Village's private purpose trust fund is for the benefit of scholarship recipients.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for mayor's court.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2012 and 2011 budgetary activity appears in Note 5.

E. Property, Plant and Equipment

The Village records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

2. Restricted

Fund balance is *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.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General fund report all fund balances as *assigned* unless they are restricted or committed. In the General fund, *assigned* amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

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

H. Interfund Transactions

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Residual equity transfers are nonrecurring or non-routine transfers of equity between funds.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2012, the District 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 the following effect on fund balances as previously reported:

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE - (Continued)

	<u>General</u>	<u>Agency</u>	<u>Total</u>
Fund Balance at December 31, 2010	(\$169,290)	\$4,550	(\$164,740)
GASB 54 Change in in Fund Structure	<u>4,133</u>	<u>(4,133)</u>	<u>0</u>
Adjusted Fund Balance at January 1, 2011	<u>(\$165,157)</u>	<u>\$417</u>	<u>(\$164,740)</u>

NOTE 4 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2012</u>	<u>2011</u>
Demand Deposits	<u>\$1,772,869</u>	<u>\$1,494,829</u>
Total Deposits	<u>1,772,869</u>	<u>1,494,829</u>
Certificates of Deposit	750,000	500,000
STAR Ohio	<u>6,934</u>	<u>6,929</u>
Total Investments	<u>756,934</u>	<u>506,929</u>
Total Deposits and Investments	<u>\$2,529,803</u>	<u>\$2,001,758</u>

Component Unit - Equity in Pool Deposits and Investments

	<u>2012</u>	<u>2011</u>
Mutual Funds	\$ 326,297	\$ 309,194
Fixed Income Equity Securities	476,105	452,241
Money Market Mutual Funds	42,354	126,111
Common Stock	<u>355,295</u>	<u>329,066</u>
Total Investments	<u>\$ 1,200,051</u>	<u>\$ 1,216,612</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 5 - BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 505,383	\$ 505,383	\$ -
Special Revenue	355,082	355,082	-
Enterprise	4,016,556	4,016,556	-
Private Purpose Trust	10,000	10,000	-
Total	\$ 4,887,021	\$ 4,887,021	\$ -

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 456,490	\$ 369,157	\$ 87,333
Special Revenue	363,825	345,610	18,215
Capital Projects	1,097	-	1,097
Enterprise	4,613,758	3,624,324	989,434
Private Purpose Trust	26,562	19,935	6,627
Total	\$ 5,461,732	\$ 4,359,026	\$ 1,102,706

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 545,285	\$ 545,285	\$ -
Special Revenue	327,258	327,258	-
Debt Service	15,851	15,851	-
Enterprise	4,348,088	4,348,088	-
Private Purpose Trust	22,690	22,690	-
Total	\$ 5,259,172	\$ 5,259,172	\$ -

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 450,264	\$ 376,044	\$ 74,220
Special Revenue	369,168	323,895	45,273
Debt Service	100	10	90
Capital Projects	125	125	-
Enterprise	4,057,296	3,633,922	423,374
Private Purpose Trust	38,830	22,707	16,123
Total	\$ 4,915,783	\$ 4,356,703	\$ 559,080

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 5 - BUDGETARY ACTIVITY - (Continued)

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The budgetary activity is presented for all funds, except the component unit and the agency fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a component of fund cash balance (cash basis) and some funds are included in the general fund (cash basis), but have separate legally adopted budgets (budgetary basis). At December 31, 2012, there were no encumbrances outstanding at year end (budgetary basis). At December 31, 2011, the encumbrances outstanding at year end (budgetary basis) amounted to \$3,778 for the General Fund, \$8,781 for the Enterprise Fund, and \$6,562 for the Private Purpose Fund.

NOTE 6 - PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

NOTE 7 - DEBT

Debt outstanding at December 31, 2012 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Water 1st Mortgage Revenue Bonds	\$ 270,000	5.25%

The Water 1st Mortgage 1988 Bond funds are for the purchase and installation of new water lines. The debt is paid for through water collections.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 7 - DEBT - (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending <u>December 31,</u>	Water 1st Mortgage <u>Revenue Bonds</u>
2013	\$ 99,175
2014	99,713
2015	<u>99,988</u>
Total	\$ <u>298,876</u>

The First Mortgage Waterworks System Revenue Refunding Bonds debt agreement required the Village to establish a Bond Account maintained by a custodian bank. Monthly, the Village is to pay an amount equal to one-sixth of the interest due on all outstanding Bonds on the next ensuing interest payment date and one-twelfth of the principal due on the next ensuing principal payment. Moneys in the Bond Account shall be used to pay principal and interest on bonds on their regularly scheduled maturity dates. The Village has established this account. At December 31, 2012, the custodian held \$111,051 in Village assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

NOTE 8 - RETIREMENT SYSTEMS

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OP&F participants contributed 10% of their wage and the Village contributed an amount equal to 19.5% of full-time police members' wages. For 2012 and 2011, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2012.

NOTE 9 - RISK MANAGEMENT

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

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

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 9 - RISK MANAGEMENT - (Continued)

OPRM coverage programs are developed specific to each Member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the Member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012, the Plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from Member to Member. OPRM had 767 and 765 Members as of December 31, 2012 and 2011, respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011,

	2012	2011
Assets	\$ 13,100,381	\$ 12,501,280
Liabilities	(6,687,193)	(5,328,761)
Members' Equity	\$ 6,413,188	\$ 7,172,519

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

**NOTE 10 - THE EDMUND G. BURKE COMMUNITY TRUST - DISCRETELY PRESENTED
COMPONENT UNIT**

By will dated February 2, 1965, Edmund Glenn Burke established a trust for the Village of Bethel, for the benefit of the People of the Village of Bethel, in the amount of \$500,000. The trust stipulated that Mr. Burke's sister would act as trustee for a period of twenty-one (21) years. Mr. Burke's sister administered the trust under the provisions set forth in Mr. Burke's Will, which provided for the distribution of accumulated interest to the Village of Bethel as requested by Bethel Council. Total distributions in any fiscal year shall be limited to earned income (less expenses of the trust). In addition, the trust contained a provision permitting invasion of the principal up to ten percent (10%). At that point, no further distributions could be made until the invaded principal had been repaid.

Upon the termination of this trust in 1986, the Council of the Village of Bethel created a new trust to be known as the Edmund Glenn Burke Community Trust to be administered by a financial institution as trustee. On November 21, 1986 \$546,845 in funds were transferred from Mr. Burke's sister as original trustee to the Society National Bank as trustee.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 10 - THE EDMUND G. BURKE COMMUNITY TRUST - DISCRETELY PRESENTED
COMPONENT UNIT - (Continued)**

The provisions of the 1986 trust were the same as the 1965 trust described above with two exceptions - (1) requests for distribution of interest would have to be approved by a trust commission; and (2) the principal may be invaded up to \$10,000 without affecting distributions. The purposes of the distributions from the trust were as follows:

- (1) to provide for the general welfare of the people;
- (2) to provide for the care and maintenance of the historic OLD CEMETERY otherwise known as The Early Settlers Burial Ground in the Village of Bethel, together with the constructions, acquisition and maintenance of suitable improvements and additions;
- (3) to provide for the care of maintenance of BURKE PARK in the Village of Bethel, together with the construction, acquisition and maintenance of suitable improvements and additions;
- (4) to provide for any and all municipal and Village purposes in the Village of Bethel, whenever such purposes and projections are approved by the governing body of the Village and certified by the highest official of the Village of Bethel, such as but not limited to public parks, schools, nurseries, hospitals, churches or any other public use; and
- (5) to provide scholarships for worthy and/or needy students from the Village of Bethel, as well as from other parts of Clermont County. The selection of the recipients of said scholarships shall be in the absolute discretion of the Council of the Village of Bethel.

The Commission created by the Trust consists of nine (9) members, four (4) of whom are appointed by Village Council and five (5) appointed by the Village Mayor with a term of 5 years each. These members cannot be removed by Council or the Mayor. Replacement of a Commission member occurs when a member ceases to attend the monthly meetings for any reason. The replacement is appointed by either Council or the Mayor dependent upon who originally appointed the member. Neither the Mayor nor a member of the Village Council may serve on the Commission.

A request for funds is first submitted to Council for their approval, then to the Burke Trust Commission for review and approval or rejection. Council cannot override the decision of the Burke Trust Commission.

NOTE 11 - COMPLIANCE

- A.** The Village did not make timely deposits with the Fiscal Officer or designated depository for the Mayor's Court and utility receipts for the years ended December 31, 2012 and 2011 in noncompliance with Ohio Revised Code Section 9.38.
- B.** The Mayor's Court clerk did not submit payment to the Village by the first Monday of the month for the years ended December 31, 2012 and 2011 in noncompliance with Ohio Revised Code Section 733.40.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 12 - FISCAL EMERGENCY UPDATE

The Village of Bethel was declared under fiscal emergency on August 24, 2010. On February 14, 2011 the Village of Council adopted a Financial Recovery Plan. Part of the plan includes the following: to increase revenue the general fund will be reimbursed overhead costs of the electric and water funds, to decrease expenses, the Village plans to limit appropriations to 85% of expected revenues and reduce overtime in police department. The Village approved a plan on January 24, 2013 to meet the requirements of the plan to remove the Village from fiscal emergency. The Village requested approval to be released from fiscal emergency from the Auditor of State. The request was approved on February 6, 2013. The Auditor of State will review the fiscal emergency status and make a determination based on their findings.

NOTE 13 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the Village's operating transfers for 2012 and 2011:

<u>2012</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Enterprise Funds</u>		
Water Operating Fund	\$ -	\$ 207,000
Electric Operating	-	144,000
Water Enterprise Improvement Fund	102,000	-
Electric Enterprise Improvement Fund	144,000	-
Water Mortgage Debt	105,000	-
Total Enterprise Funds	<u>351,000</u>	<u>351,000</u>
Total	<u>\$ 351,000</u>	<u>\$ 351,000</u>
<u>2011</u>		
General Fund	<u>\$ -</u>	<u>\$ 16,362</u>
<u>Special Revenue Fund:</u>		
Police Pension Fund	<u>730</u>	<u>-</u>
Total Special Revenue Funds	<u>730</u>	<u>-</u>
<u>Debt Service Fund:</u>		
Sidewalk Assessment Fund	<u>15,632</u>	<u>-</u>
Total Debt Service Fund	<u>15,632</u>	<u>-</u>
<u>Enterprise Funds:</u>		
Water Operating Fund	-	240,722
Electric Operating	-	118,896
Water Enterprise Improvement Fund	135,722	-
Water Mortgage Debt	105,000	-
Electric Enterprise Improvement Fund	118,896	-
Total Enterprise Funds	<u>359,618</u>	<u>359,618</u>
Total	<u>\$ 375,980</u>	<u>\$ 375,980</u>

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 13 - INTERFUND TRANSACTIONS - (Continued)

All transfers made in 2012 and 2011 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Members of Council and Mayor
Village of Bethel
120 North Main Street
Bethel, Ohio 45106

To the Members of Council and Mayor:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards* the financial statements and the discretely presented component unit of the Village of Bethel, Clermont County, Ohio, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated October 2, 2013, wherein we noted the Village of Bethel followed financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. In addition, as discussed in Note 3, the Village of Bethel adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Bethel's financial statements. We consider findings 2012-VOB-001 and 2012-VOB-002 described in the accompanying schedule of findings and responses to be material weaknesses.

Members of Council and Mayor
Village of Bethel

Compliance and Other Matters

As part of reasonably assuring whether the Village of Bethel's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed two instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2012-VOB-001 and 2012-VOB-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village of Bethel's management in a separate letter dated October 2, 2013.

Village of Bethel's Responses to Findings

The Village of Bethel's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Bethel's responses and, accordingly, we express no opinion on them.

Purpose of this Report

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



Julian & Grube, Inc.
October 2, 2013

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2012 AND 2011**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2012-VOB-001

Material Weakness/Noncompliance

Ohio Revised Code Section 9.38 requires that deposits of public money be made in a timely manner. Public money must be deposited to the public office or to a designated depository the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

Funds collected by the Mayor's Court and the utility department were held without being deposited within the required time.

By not making timely deposits with the Fiscal Officer or designated depository, the Mayor's Court and utility receipts are subject to an increased risk of loss.

We recommend that the Fiscal Officer monitor all department collections and ensure that monies are deposited in accordance with state statute. This will improve cash flow and reduce the risk of loss. Further guidance regarding specific dollar amounts may be found in the Ohio Compliance Supplement.

Client's Response: The Village is attempting to monitor the deposits more closely.

Finding Number	2012-VOB-002
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Material Weakness/Noncompliance

Ohio Revised Code Section 733.40 requires disbursements to be done by the first Monday of each month and a monthly Mayor's Court report to be provided at the first monthly meeting of Council stating the money received, from whom and for what purposes received, and when paid into the treasury.

The Mayor's Court clerk did not submit payment to the Village by the first Monday of the month for 8 out of the 12 months for 2012 and 9 out of the 12 months for 2011.

By not submitting the payment to the Village, there is a possibility that monies can be overlooked that the Village is entitled to.

We recommend the Mayor's Court clerk submit monthly payment to the Village timely. We further recommend adding the monthly Mayor's Court clerk report to the first monthly meeting of Council's agenda to ensure more timely reporting.

Client Response: The Mayor's Court clerk will attempt to meet the Ohio Revised Code's requirements for monthly reporting.

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012 AND 2011**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid</u>
2010-001	<p><u>Material Weakness/Noncompliance Citation</u> - Mayor's Court - Ohio Revised Code Section 9.38 requires monies to be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Based on transaction dates and deposit ticket dates. Ohio Revised Code Section 733.40 requires disbursements to be done by the first Monday of each month and a monthly Mayor's Court report to be provided at the first monthly meeting of Council stating the money received, from whom and for what purposes received, and when paid into the treasury. Ohio Revised Code Section 2743.70 requires monies collected for additional courts costs shall be transmitted on the first business day of each month to the Treasurer of State. The Village did not make timely deposits or adopt a policy regarding deposits. The Village did not submit to the Village monthly payments timely nor provide evidence of a Mayor's Court report in the minutes, and certain restitution amounts collected were not properly distributed. The Village did not timely submit required monies to the Treasurer of State and monthly reports omitted certain line items. Finally, no bank reconciliations for the Mayor's Court account were completed.</p>	<p>Partially;</p> <p>Ohio Revised Code Section 9.38 - Not Corrected</p> <p>Ohio Revised Code Section 733.40 - Not Corrected</p> <p>Ohio Revised Code Section 2743.70 - Corrected</p>	<p>Repeated as 2012-VOB-001</p> <p>Repeated as 2012-VOB-002</p> <p>N/A</p>

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS - (Continued)
DECEMBER 31, 2012 AND 2011**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid</u>
2010-002	<u>Noncompliance</u> - Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the Fiscal Officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Forty percent of transactions tested were not certified timely.	Partially	Moved to Management Letter
2010-003	<u>Noncompliance Citation</u> - Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate. Actual receipts were less than estimated receipts, and the deficiency reduced available receipts below the level of appropriations in a certain fund in 2009.	Yes	N/A
2010-004	<u>Noncompliance Citation</u> - Ohio Revised Code Section 5705.10(H) states money paid into any fund shall be used only for the purposes for which such fund is established. Certain funds had negative fund balances at 2009 year end.	Yes	N/A
2010-005	<u>Noncompliance Citation</u> - Ohio Revised Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund. Appropriations exceeded the total resources in certain funds at 2009 year end.	Yes	N/A

**VILLAGE OF BETHEL
CLERMONT COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS - (Continued)
DECEMBER 31, 2012 AND 2011**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid</u>
2010-006	<p><u>Significant Deficiency/Noncompliance</u> - Ohio Revised Code Section 5705.19(A) states, in pertinent part, that the taxing authority of any subdivision at any time and in any year, by vote of two-thirds of all the members of the taxing authority, may declare by resolution and certify the resolution to the board of elections not less than seventy-five days before the election upon which it will be voted that the amount of taxes that may be raised within the ten-mill limitation will be insufficient to provide for the necessary requirements of the subdivision and that it is necessary to levy a tax in excess of that limitation for any of the following purposes: for current expenses of the subdivision. Ohio Revised Code Section 5705.10(A) states that all revenue derived from any general levy for current expense authorized by vote in excess of the ten-mill limitation, shall be paid into the general fund. The Village levy language stated certain recording of levy funds received; however, the Village did not follow those requirements.</p>	Yes	N/A
2010-007	<p><u>Material Weakness/Noncompliance Citation</u> - Ohio Revised Code Section 9.38 requires monies to be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Utility receipts were not deposited timely nor was there a policy regarding such timelines of deposits.</p>	No	Finding repeated as 2012-VOB-001

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Dave Yost • Auditor of State

VILLAGE OF BETHEL

CLERMONT 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
DECEMBER 19, 2013**