



**BETHEL TOWNSHIP
CLARK COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31 2019 - 2018**

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Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
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Cambridge, OH 43725
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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Bethel Township
3333 Lake Road
Medway, Ohio 45341

We have reviewed the *Independent Auditor's Report* of Bethel Township, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2021

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**BETHEL TOWNSHIP
CLARK COUNTY**

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BETHEL TOWNSHIP
CLARK COUNTY

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INDEPENDENT AUDITOR'S REPORT

September 10, 2021

Bethel Township
Clark County
3333 Lake Road
Medway, Ohio 45341

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Bethel Township**, Clark County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 Township'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 Township's internal control. Accordingly, we express no such 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Auditor's Responsibility (Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, Ohio, as of December 31, 2019 and 2018, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Road and Bridge, Fire District, Permissive Motor Vehicle License Tax, and Ambulance and Emergency Medical Services Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2021, 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. 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 Township's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

Bethel Township
Clark County, Ohio
Statement of Net Position - Cash Basis
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,434,147
<i>Total Assets</i>	<i>\$ 2,434,147</i>
Net Position	
Restricted for:	
Permanent Fund: Cemetery Bequest	
Expendable	\$ 794
Nonexpendable	200
Other Purposes	1,943,965
Unrestricted	489,188
<i>Total Net Position</i>	<i>\$ 2,434,147</i>

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Activities - Cash Basis
 For the Year Ended December 31, 2019

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 175,598	\$ -	\$ -	\$ (175,598)
Public Safety	1,307,954	470,544	-	(837,410)
Public Works	727,854	164,674	205,835	(357,345)
Health	15,087	3,665	-	(11,422)
Conservation-Recreation	36,195	16,495	-	(19,700)
Other	337,866	2,560	-	(335,306)
Capital Outlay	226,531	-	-	(226,531)
<i>Total Governmental Activities</i>	<u>\$ 2,827,085</u>	<u>\$ 657,938</u>	<u>\$ 205,835</u>	<u>(1,963,312)</u>
General Receipts:				
Property Taxes Levied for:				
Public Safety				1,114,598
Public Works				203,707
Other Taxes				76,581
Grants and Entitlements not Restricted to Specific Programs				360,962
Cable Franchise Fees				131,696
Earnings on Investments				16,140
Miscellaneous				5,938
Total General Receipts				<u>1,909,622</u>
<i>Change in Net Position</i>				(53,690)
<i>Net Position Beginning of Year</i>				<u>2,487,837</u>
<i>Net Position End of Year</i>				<u>\$ 2,434,147</u>

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Assets and Fund Balances - Cash Basis
 Governmental Funds
 December 31, 2019

	General	Road & Bridge Fund	Fire District Fund	Permissive Motor Vehicle License Tax Fund	Ambulance & EMS Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 489,188	\$ 152,856	\$ 604,076	\$ 326,463	\$ 101,670	\$ 759,894	\$ 2,434,147
<i>Total Assets</i>	<u>\$ 489,188</u>	<u>\$ 152,856</u>	<u>\$ 604,076</u>	<u>\$ 326,463</u>	<u>\$ 101,670</u>	<u>\$ 759,894</u>	<u>\$ 2,434,147</u>
Fund Balances							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
Restricted	-	-	604,076	326,463	101,670	759,694	1,791,903
Committed	-	152,856	-	-	-	-	152,856
Assigned	486,840	-	-	-	-	-	486,840
Unassigned	2,348	-	-	-	-	-	2,348
<i>Total Fund Balances</i>	<u>\$ 489,188</u>	<u>\$ 152,856</u>	<u>\$ 604,076</u>	<u>\$ 326,463</u>	<u>\$ 101,670</u>	<u>\$ 759,894</u>	<u>\$ 2,434,147</u>

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2019

	General	Road & Bridge Fund	Fire District Fund	Permissive Motor Vehicle License Tax Fund	Ambulance & EMS Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ -	\$ 203,707	\$ 995,073	\$ 76,581	\$ -	\$ 119,525	\$ 1,394,886
Charges for Services	-	-	150,000	-	311,844	-	461,844
Licenses, Permits and Fees	131,696	-	-	-	-	750	132,446
Fines and Forfeitures	8,700	-	-	-	-	-	8,700
Intergovernmental	56,672	34,541	112,686	46,030	-	428,605	678,534
Special Assessments	2,560	-	-	-	-	52,937	55,497
Earnings on Investments	11,918	-	-	2,741	-	1,481	16,140
Miscellaneous	17,213	905	4,202	-	-	3,028	25,348
Total Receipts	228,759	239,153	1,261,961	125,352	311,844	606,326	2,773,395
Disbursements							
Current:							
General Government	175,598	-	-	-	-	-	175,598
Public Safety	-	-	776,420	-	405,168	126,366	1,307,954
Public Works	-	366,299	-	90,325	-	271,230	727,854
Health	3,908	-	-	-	-	11,179	15,087
Conservation-Recreation	36,195	-	-	-	-	-	36,195
Capital Outlay	-	37,744	426,341	100,000	-	-	564,085
Total Disbursements	215,701	404,043	1,202,761	190,325	405,168	408,775	2,826,773
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,058</u>	<u>(164,890)</u>	<u>59,200</u>	<u>(64,973)</u>	<u>(93,324)</u>	<u>197,551</u>	<u>(53,378)</u>
Other Financing Sources (Uses)							
Other Financing Uses	(312)	-	-	-	-	-	(312)
Total Other Financing Sources (Uses)	(312)	-	-	-	-	-	(312)
Net Change in Fund Balances	12,746	(164,890)	59,200	(64,973)	(93,324)	197,551	(53,690)
Fund Balances Beginning of Year	476,442	317,746	544,876	391,436	194,994	562,343	2,487,837
Fund Balances End of Year	\$ 489,188	\$ 152,856	\$ 604,076	\$ 326,463	\$ 101,670	\$ 759,894	\$ 2,434,147

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Licenses, Permits and Fees	\$ 95,000	\$ 95,000	\$ 131,696	\$ 36,696
Fines and Forfeitures	7,500	7,500	8,700	1,200
Intergovernmental	43,050	43,050	56,672	13,622
Special Assessments	3,500	3,500	2,560	(940)
Earnings on Investments	8,000	8,000	11,918	3,918
Miscellaneous	13,000	13,000	17,213	4,213
<i>Total Receipts</i>	<u>170,050</u>	<u>170,050</u>	<u>228,759</u>	<u>58,709</u>
Disbursements				
Current:				
General Government	13,376	13,376	176,695	(163,319)
Health	330	330	3,984	(3,654)
Conservation-Recreation	1,567	1,567	36,697	(35,130)
<i>Total Disbursements</i>	<u>15,273</u>	<u>15,273</u>	<u>217,376</u>	<u>(202,103)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>154,777</u>	<u>154,777</u>	<u>11,383</u>	<u>(143,394)</u>
Other Financing Sources				
Other Financing Uses	-	-	(312)	(312)
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>(312)</u>	<u>(312)</u>
<i>Net Change in Fund Balance</i>	<u>154,777</u>	<u>154,777</u>	<u>11,071</u>	<u>(143,706)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	461,169	461,169	461,169	-
Prior Year Encumbrances Appropriated	15,273	15,273	15,273	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 631,219</u>	<u>\$ 631,219</u>	<u>\$ 487,513</u>	<u>\$ (143,706)</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road & Bridge Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 198,642	\$ 198,953	\$ 203,707	\$ 4,754
Intergovernmental	33,353	33,373	34,541	1,168
Miscellaneous	2,167	2,342	905	(1,437)
<i>Total Receipts</i>	234,162	234,668	239,153	4,485
Disbursements				
Current:				
Public Works	22,911	22,911	369,133	(346,222)
Capital Outlay	-	-	37,744	(37,744)
<i>Total Disbursements</i>	22,911	22,911	406,877	(383,966)
<i>Net Change in Fund Balance</i>	211,251	211,757	(167,724)	(379,481)
<i>Unencumbered Fund Balance Beginning of Year</i>	294,835	294,835	294,835	-
Prior Year Encumbrances Appropriated	22,911	22,911	22,911	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 528,997	\$ 529,503	\$ 150,022	\$ (379,481)

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 971,619	\$ 973,712	\$ 995,073	\$ 21,361
Charges for Services	-	-	150,000	150,000
Intergovernmental	112,472	112,644	112,686	42
Miscellaneous	10,289	11,035	4,202	(6,833)
<i>Total Receipts</i>	1,094,380	1,097,391	1,261,961	164,570
Disbursements				
Current:				
Public Safety	14,471	14,471	778,745	(764,274)
Capital Outlay	-	-	426,341	(426,341)
<i>Total Disbursements</i>	14,471	14,471	1,205,086	(1,190,615)
<i>Net Change in Fund Balance</i>	1,079,909	1,082,920	56,875	(1,026,045)
<i>Unencumbered Fund Balance Beginning of Year</i>	530,405	530,405	530,405	-
Prior Year Encumbrances Appropriated	14,471	14,471	14,471	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 1,624,785	\$ 1,627,796	\$ 601,751	\$ (1,026,045)

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Permissive Motor Vehicle License Tax Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ 76,581	\$ 76,581
Intergovernmental	-	-	46,030	46,030
Earnings on Investments	-	-	2,741	2,741
Miscellaneous	112,500	112,500	-	(112,500)
<i>Total Receipts</i>	<u>112,500</u>	<u>112,500</u>	<u>125,352</u>	<u>12,852</u>
Disbursements				
Current:				
Public Works	12,510	12,510	90,351	(77,841)
Capital Outlay	-	-	100,000	(100,000)
<i>Total Disbursements</i>	<u>12,510</u>	<u>12,510</u>	<u>190,351</u>	<u>(177,841)</u>
<i>Net Change in Fund Balance</i>	99,990	99,990	(64,999)	(164,989)
<i>Unencumbered Fund Balance Beginning of Year</i>	378,926	378,926	378,926	-
Prior Year Encumbrances Appropriated	12,510	12,510	12,510	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 491,426</u>	<u>\$ 491,426</u>	<u>\$ 326,437</u>	<u>\$ (164,989)</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance & Emergency Medical Services Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$ 300,000	\$ 300,000	\$ 311,844	\$ 11,844
<i>Total Receipts</i>	<u>300,000</u>	<u>300,000</u>	<u>311,844</u>	<u>11,844</u>
Disbursements				
Current:				
Public Safety	34,942	34,942	405,978	(371,036)
<i>Total Disbursements</i>	<u>34,942</u>	<u>34,942</u>	<u>405,978</u>	<u>(371,036)</u>
<i>Net Change in Fund Balance</i>	265,058	265,058	(94,134)	(359,192)
<i>Unencumbered Fund Balance Beginning of Year</i>	160,052	160,052	160,052	-
Prior Year Encumbrances Appropriated	<u>34,942</u>	<u>34,942</u>	<u>34,942</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 460,052</u>	<u>\$ 460,052</u>	<u>\$ 100,860</u>	<u>\$ (359,192)</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Fiduciary Net Position - Cash Basis
December 31, 2019

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 831
<i>Total Assets</i>	<i>\$ 831</i>
 Net Position	
Restricted for Individuals, Organizations and Other Governments:	
Expendable	\$ 331
Nonexpendable	500
<i>Total Net Position</i>	<i>\$ 831</i>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2019

	<u>Private</u> <u>Purpose Trust</u>	<u>Custodial</u> <u>Other</u> <u>Custodial</u>
Additions		
Earnings on Investments	\$ 7	\$ -
<i>Total Additions</i>	<u>7</u>	<u>-</u>
Deductions		
Other Distributions	-	8,000
<i>Total Deductions</i>	<u>-</u>	<u>8,000</u>
<i>Change in Net Position</i>	7	(8,000)
<i>Net Position Beginning of Year</i>	<u>824</u>	<u>8,000</u>
<i>Net Position End of Year</i>	<u>\$ 831</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

Bethel Township, Clark County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides general government services, fire and protection services, emergency medical services, and cemetery maintenance. The Township contracts with the Clark County Sheriff department to provide police protection in the Township.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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 are 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 or business-type activity 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. Fiduciary funds are reported by type.

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. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

Road and Bridge Fund The road and bridge fund accounts for and reports property tax restricted for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Fire District Fund This fund accounts for the property tax monies restricted for the operation of the Fire Department.

Permissive Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Ambulance and Emergency Medical Services Fund This fund accounts for monies received from the billing for ambulatory services used for the operation of emergency medical services.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. The Township has a private purpose trust fund established for the perpetual care of a lot and stone in the Township's Donnelsville Cemetery. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Township's custodial funds account for amounts collected and distributed on behalf of another individual.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial 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 resolution, 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 appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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 2019, the Township invested in STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2019 was \$11,918 which includes \$8,904 assigned from other Township funds.

Restricted Assets

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

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.

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
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

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 other postemployment benefits (OPEB).

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is 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.

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

Fund Balance

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:

Nonspendable The nonspendable 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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned 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 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.

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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 – Compliance

Contrary to Ohio law, the Township did not file an appropriation measure with the county auditor and thus did not receive a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed such official estimate or amended official estimate which caused disbursements to exceed appropriation authority in all funds.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 3 – Compliance (Continued)

Contrary to Ohio law, the Township did not properly encumber all commitments.

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 presented for the General, Road & Bridge, Fire District, Permissive Motor Vehicle License Tax, and Ambulance and Emergency Services Funds 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 as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General Fund	Road & Bridge Fund	Fire District Fund	Permissive MVL Tax Fund	Ambulance & EMS Fund
Cash Basis	\$ 12,746	\$ (164,890)	\$ 59,200	\$ (64,973)	\$ (93,324)
Encumbrances	1,675	2,834	2,325	26	810
Budget Basis	\$ 11,071	\$ (167,724)	\$ 56,875	\$ (64,999)	\$ (94,134)

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 five years from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 5 – Deposits and Investments (Continued)

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

The Township's only investment at December 31, 2019 was in STAR Ohio, an investment pool operated by the Ohio State Treasurer. STAR Ohio is an uninsured and uncollateralized investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio had a net asset value of \$22,397 at December 31, 2019.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 5 – Deposits and Investments (Continued)

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Note 6 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2019, was \$9.20 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Real Property	\$ 191,887,651
Public Utility Personal Property	<u>7,565,880</u>
Total	<u>\$ 199,453,531</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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 ("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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 7 – 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. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members’ Equity	<u>\$ 4,591,493</u>

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

Note 8 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 8 – Defined Benefit Pension Plan (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 8 – Defined Benefit Pension Plan (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township’s contractually required contribution was \$38,087 for year 2019.

Social Security

Several of the Township’s employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 9 - Postemployment Benefits (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$7,450 for the year 2019.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 11 – 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 the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Road & Bridge	Fire District	Permissive MVL Tax	Ambulance & EMS	Other Governmental Funds	Total
Nonspendable							
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
<i>Total Nonspendable</i>	-	-	-	-	-	200	200
Restricted for							
Cemetery	-	-	-	-	-	60,507	60,507
Emergency	-	-	-	-	101,670	214,910	316,580
Fire Operations	-	-	604,076	-	-	-	604,076
Lighting	-	-	-	-	-	176,121	176,121
Police Operations	-	-	-	-	-	145,029	145,029
Road & Bridge	-	-	-	326,463	-	163,127	489,590
<i>Total Restricted</i>	-	-	604,076	326,463	101,670	759,694	1,791,903
Committed to							
Road & Bridge	-	152,856	-	-	-	-	152,856
<i>Total Committed</i>	-	152,856	-	-	-	-	152,856
Assigned to							
Encumbrances	1,675	-	-	-	-	-	1,675
Budget Carryover	485,165	-	-	-	-	-	485,165
<i>Total Assigned</i>	486,840	-	-	-	-	-	486,840
Unassigned							
	2,348	-	-	-	-	-	2,348
<i>Total Fund Balances</i>	<u>\$489,188</u>	<u>\$152,856</u>	<u>\$604,076</u>	<u>\$326,463</u>	<u>\$101,670</u>	<u>\$ 759,894</u>	<u>\$2,434,147</u>

Note 12 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

Bethel Township
Clark County, Ohio
Statement of Net Position - Cash Basis
December 31, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,487,837
<i>Total Assets</i>	<i>\$ 2,487,837</i>
Net Position	
Restricted for:	
Permanent Fund: Cemetery Bequest	
Expendable	\$ 787
Nonexpendable	200
Other Purposes	2,002,284
Unrestricted	484,566
<i>Total Net Position</i>	<i>\$ 2,487,837</i>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 187,412	\$ -	\$ -	\$ (187,412)
Public Safety	1,175,514	354,939	-	(820,575)
Public Works	397,379	146,218	153,188	(97,973)
Health	9,321	2,353	-	(6,968)
Conservation-Recreation	45,735	14,750	-	(30,985)
Other	-	5,991	-	5,991
Total Governmental Activities	\$ 1,815,361	\$ 524,251	\$ 153,188	(1,137,922)
General Receipts:				
Property Taxes Levied for:				
Public Safety				1,090,122
Public Works				199,384
Other Taxes				77,671
Grants and Entitlements not Restricted to Specific Programs				185,351
Cable Franchise Fees				122,797
Earnings on Investments				14,133
Miscellaneous				35,856
Total General Receipts				1,725,314
<i>Change in Net Position</i>				587,392
<i>Net Position Beginning of Year</i>				1,900,445
<i>Net Position End of Year</i>				\$ 2,487,837

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Assets and Fund Balances - Cash Basis
 Governmental Funds
 December 31, 2018

	General	Road & Bridge Fund	Fire District Fund	Permissive Motor Vehicle License Tax Fund	Ambulance & EMS Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 476,442	\$ 317,746	\$ 544,876	\$ 391,436	\$ 194,994	\$ 562,343	\$ 2,487,837
Total Assets	\$ 476,442	\$ 317,746	\$ 544,876	\$ 391,436	\$ 194,994	\$ 562,343	\$ 2,487,837
Fund Balances							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
Restricted	-	-	544,876	391,436	194,994	562,143	1,693,449
Committed	-	317,746	-	-	-	-	317,746
Assigned	15,273	-	-	-	-	-	15,273
Unassigned	461,169	-	-	-	-	-	461,169
Total Fund Balances	\$ 476,442	\$ 317,746	\$ 544,876	\$ 391,436	\$ 194,994	\$ 562,343	\$ 2,487,837

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2018

	General	Road & Bridge Fund	Fire District Fund	Permissive Motor Vehicle License Tax Fund	Ambulance & EMS Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ -	\$ 199,384	\$ 973,186	\$ 77,671	\$ -	\$ 116,936	\$ 1,367,177
Charges for Services	-	-	-	-	346,000	-	346,000
Licenses, Permits and Fees	122,797	-	-	-	-	1,950	124,747
Fines and Forfeitures	8,939	-	-	-	-	-	8,939
Intergovernmental	54,572	36,002	121,619	46,653	-	173,361	432,207
Special Assessments	5,991	-	-	-	-	52,550	58,541
Earnings on Investments	10,515	-	-	2,647	-	971	14,133
Miscellaneous	18,674	4,284	24,900	-	2,073	1,078	51,009
<i>Total Receipts</i>	<u>221,488</u>	<u>239,670</u>	<u>1,119,705</u>	<u>126,971</u>	<u>348,073</u>	<u>346,846</u>	<u>2,402,753</u>
Disbursements							
Current:							
General Government	187,412	-	-	-	-	-	187,412
Public Safety	-	-	729,974	-	298,568	146,972	1,175,514
Public Works	-	207,574	-	79,052	-	110,753	397,379
Health	3,066	-	-	-	-	6,255	9,321
Conservation-Recreation	45,735	-	-	-	-	-	45,735
<i>Total Disbursements</i>	<u>236,213</u>	<u>207,574</u>	<u>729,974</u>	<u>79,052</u>	<u>298,568</u>	<u>263,980</u>	<u>1,815,361</u>
<i>Net Change in Fund Balances</i>	(14,725)	32,096	389,731	47,919	49,505	82,866	587,392
<i>Fund Balances Beginning of Year</i>	491,167	285,650	155,145	343,517	145,489	479,477	1,900,445
<i>Fund Balances End of Year</i>	<u>\$ 476,442</u>	<u>\$ 317,746</u>	<u>\$ 544,876</u>	<u>\$ 391,436</u>	<u>\$ 194,994</u>	<u>\$ 562,343</u>	<u>\$ 2,487,837</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Licenses, Permits and Fees	\$ 100,000	\$ 100,000	\$ 122,797	\$ 22,797
Fines and Forfeitures	8,000	8,000	8,939	939
Intergovernmental	41,274	41,274	54,572	13,298
Special Assessments	-	-	5,991	5,991
Earnings on Investments	7,000	7,000	10,515	3,515
Miscellaneous	10,000	10,000	18,674	8,674
<i>Total Receipts</i>	166,274	166,274	221,488	55,214
Disbursements				
Current:				
General Government	-	-	200,788	(200,788)
Health	-	-	3,396	(3,396)
Conservation-Recreation	-	-	47,302	(47,302)
<i>Total Disbursements</i>	-	-	251,486	(251,486)
<i>Excess of Receipts Over (Under) Disbursements</i>	166,274	166,274	(29,998)	(196,272)
Other Financing Sources (Uses)				
Other Financing Sources	1,000	1,000	-	(1,000)
<i>Total Other Financing Sources (Uses)</i>	1,000	1,000	-	(1,000)
<i>Net Change in Fund Balance</i>	167,274	167,274	(29,998)	(197,272)
<i>Unencumbered Fund Balance Beginning of Year</i>	491,167	491,167	491,167	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 658,441	\$ 658,441	\$ 461,169	\$ (197,272)

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Road & Bridge Fund
 For the Year Ended December 31, 2018

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 206,293	\$ 198,371	\$ 199,384	\$ 1,013
Intergovernmental	25,317	33,625	36,002	2,377
Miscellaneous	2,414	2,167	4,284	2,117
<i>Total Receipts</i>	<u>234,024</u>	<u>234,163</u>	<u>239,670</u>	<u>5,507</u>
Disbursements				
Current:				
Public Works	-	-	230,485	(230,485)
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>230,485</u>	<u>(230,485)</u>
<i>Net Change in Fund Balance</i>	234,024	234,163	9,185	(224,978)
<i>Unencumbered Fund Balance Beginning of Year</i>	285,650	285,650	285,650	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 519,674</u>	<u>\$ 519,813</u>	<u>\$ 294,835</u>	<u>\$ (224,978)</u>

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Fire District Fund
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 614,212	\$ 970,465	\$ 973,186	\$ 2,721
Intergovernmental	72,708	113,626	121,619	7,993
Miscellaneous	7,434	7,434	24,900	17,466
<i>Total Receipts</i>	<u>694,354</u>	<u>1,091,525</u>	<u>1,119,705</u>	<u>28,180</u>
Disbursements				
Current:				
Public Safety	-	-	744,445	(744,445)
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>744,445</u>	<u>(744,445)</u>
<i>Net Change in Fund Balance</i>	694,354	1,091,525	375,260	(716,265)
<i>Unencumbered Fund Balance Beginning of Year</i>	155,145	155,145	155,145	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 849,499</u>	<u>\$ 1,246,670</u>	<u>\$ 530,405</u>	<u>\$ (716,265)</u>

See accompanying notes to the basic financial statements

Bethel Township
 Clark County, Ohio
 Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Permissive Motor Vehicle License Tax Fund
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 69,000	\$ 69,000	\$ 77,671	\$ 8,671
Intergovernmental	42,000	42,000	46,653	4,653
Earnings on Investments	1,500	1,500	2,647	1,147
<i>Total Receipts</i>	112,500	112,500	126,971	14,471
Disbursements				
Current:				
Public Works	-	-	91,562	(91,562)
<i>Total Disbursements</i>	-	-	91,562	(91,562)
<i>Net Change in Fund Balance</i>	112,500	112,500	35,409	(77,091)
<i>Unencumbered Fund Balance Beginning of Year</i>	343,517	343,517	343,517	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 456,017	\$ 456,017	\$ 378,926	\$ (77,091)

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance & Emergency Medical Services Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$ 300,000	\$ 300,000	\$ 346,000	\$ 46,000
Miscellaneous	-	-	2,073	2,073
<i>Total Receipts</i>	<u>300,000</u>	<u>300,000</u>	<u>348,073</u>	<u>48,073</u>
Disbursements				
Current:				
Public Safety	-	-	333,510	(333,510)
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>333,510</u>	<u>(333,510)</u>
<i>Net Change in Fund Balance</i>	300,000	300,000	14,563	(285,437)
<i>Unencumbered Fund Balance Beginning of Year</i>	145,489	145,489	145,489	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 445,489</u>	<u>\$ 445,489</u>	<u>\$ 160,052</u>	<u>\$ (285,437)</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Fiduciary Net Position - Cash Basis
December 31, 2018

	Private Purpose Trust	Custodial
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 824	\$ 8,000
<i>Total Assets</i>	\$ 824	\$ 8,000
Net Position		
Permanent Fund: Cemetery Bequest		
Expendable	\$ 324	\$ -
Nonexpendable	500	-
Held on Behalf of Fire Loss Claim:	-	8,000
<i>Total Net Position</i>	\$ 824	\$ 8,000

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2018

	<u>Private Purpose Trust</u>	<u>Custodial Other Custodial</u>
Additions		
Earnings on Investments	\$ 6	\$ -
<i>Total Additions</i>	<u>6</u>	<u>-</u>
<i>Change in Net Position</i>	6	-
<i>Net Position Beginning of Year</i>	<u>818</u>	<u>8,000</u>
<i>Net Position End of Year</i>	<u>\$ 824</u>	<u>\$ 8,000</u>

See accompanying notes to the basic financial statements

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Bethel Township, Clark County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides general government services, fire and protection services, emergency medical services, and cemetery maintenance. The Township contracts with the Clark County Sheriff department to provide police protection in the Township.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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 are 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 or business-type activity 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. Fiduciary funds are reported by type.

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. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

Road and Bridge Fund The road and bridge fund accounts for and reports property tax restricted for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Fire District Fund This fund accounts for the property tax monies restricted for the operation of the Fire Department.

Permissive Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Ambulance and Emergency Medical Services Fund This fund accounts for monies received from the billing for ambulatory services used for the operation of emergency medical services.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. The Township has a private purpose trust fund established for the perpetual care of a lot and stone in the Township's Donnelsville Cemetery. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Township's custodial funds account for amounts collected and distributed on behalf of another individual.

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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.

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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial 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 resolution, 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 appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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 2018, the Township invested in STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2018 was \$10,515 which includes \$7,868 assigned from other Township funds.

Restricted Assets

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

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.

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
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

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 other postemployment benefits (OPEB).

Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is 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.

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

Fund Balance

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:

Nonspendable The nonspendable 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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned 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 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.

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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 – Compliance

Contrary to Ohio law, the Township did not file an appropriation measure with the county auditor and thus did not receive a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed such official estimate or amended official estimate which caused disbursements to exceed appropriation authority in all funds.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 3 – Compliance (Continued)

Contrary to Ohio law, the Township did not properly encumber all commitments.

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 presented for the General, Road & Bridge, Fire District, Permissive Motor Vehicle License Tax, and Ambulance and Emergency Services Funds 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 as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General Fund	Road & Bridge Fund	Fire District Fund	Permissive MVL Tax Fund	Ambulance & EMS Fund
Cash Basis	\$ (14,725)	\$ 32,096	\$ 389,731	\$ 47,919	\$ 49,505
Encumbrances	15,273	22,911	14,471	12,510	34,942
Budget Basis	\$ (29,998)	\$ 9,185	\$ 375,260	\$ 35,409	\$ 14,563

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 five years from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 5 – Deposits and Investments (Continued)

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

The Township's only investment at December 31, 2018 was in STAR Ohio, an investment pool operated by the Ohio State Treasurer. STAR Ohio is an uninsured and uncollateralized investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio had a net asset value of \$21,884 at December 31, 2018.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 5 – Deposits and Investments (Continued)

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Note 6 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2018, was \$9.20 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

Real Property	\$ 191,833,241
Public Utility Personal Property	<u>7,170,470</u>
Total	<u>\$ 199,003,711</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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 ("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.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 7 – 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. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members’ Equity	<u>\$ 4,330,789</u>

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

Note 8 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 8 – Defined Benefit Pension Plan (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 8 – Defined Benefit Pension Plan (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township’s contractually required contribution was \$36,236 for year 2018.

Social Security

Several of the Township’s employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 - Postemployment Benefits (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$4,900 for the year 2018.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Bethel Township
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 11 – 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 the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Road & Bridge	Fire District	Permissive MVL Tax	Ambulance & EMS	Other Governmental Funds	Total
Nonspendable							
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200
<i>Total Nonspendable</i>	-	-	-	-	-	200	200
Restricted for							
Cemetery	-	-	-	-	-	68,013	68,013
Emergency	-	-	-	-	194,994	-	194,994
Fire Operations	-	-	544,876	-	-	-	544,876
Lighting	-	-	-	-	-	178,896	178,896
Police Operations	-	-	-	-	-	133,023	133,023
Road & Bridge	-	-	-	391,436	-	182,211	573,647
<i>Total Restricted</i>	-	-	544,876	391,436	194,994	562,143	1,693,449
Committed to							
Road & Bridge	-	317,746	-	-	-	-	317,746
<i>Total Committed</i>	-	317,746	-	-	-	-	317,746
Assigned to							
Encumbrances	15,273	-	-	-	-	-	15,273
<i>Total Assigned</i>	15,273	-	-	-	-	-	15,273
Unassigned							
	461,169	-	-	-	-	-	461,169
<i>Total Fund Balances</i>	<u>\$476,442</u>	<u>\$317,746</u>	<u>\$544,876</u>	<u>\$391,436</u>	<u>\$194,994</u>	<u>\$ 562,343</u>	<u>\$2,487,837</u>

Note 12 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

September 10, 2021

Bethel Township
Clark County
3333 Lake Road
Medway, Ohio 45341

To the Board of Trustees:

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Bethel Township**, Clark County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 10, 2021, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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 Township's internal control. Accordingly, we have not opined on it.

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 Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Internal Control Over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2019-001 through 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township'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 financial statements. 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2019-003.

Township's Response to Findings

The Township's response to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements 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 Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**BETHEL TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Township's annual financial report were noted:

- Outstanding encumbrances in 2019 and 2018 and budget carryover in 2019 were misclassified as Unassigned instead of Assigned in the General Fund;
- Fund balance in the Road & Bridge Fund was misclassified as Restricted instead of Committed in 2019 and 2018;
- Permissive tax receipts were not properly allocated between Property and Other Local Taxes and Intergovernmental based on Ohio Revised Code in the Permissive Motor Vehicle License Tax Fund in 2019 and 2018;
- Disbursements for capital purchases were misclassified as Other Financing Uses instead of Capital Outlay in the Road & Bridge and Fire District Funds in 2019; and
- The original corpus portion of the Permanent Endowment Fund was misclassified as Restricted instead of Nonspendable in 2019.

Not posting receipts, disbursements, and fund balances accurately resulted in the financial statements requiring several adjustments and reclassifications. The Township has made the adjustments to their accounting system. The financial statements reflect all adjustments and reclassifications.

We also noted several errors in the Township's Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Budget Basis statements:

- Amounts recorded as Original budgeted receipts were not accurate in the Road & Bridge and Fire District Funds in 2018; and
- Amounts recorded for Original and Final Appropriations were not accurate in the General Fund in 2019 and the General, Road & Bridge, Fire District, Permissive Motor Vehicle License Tax, and Ambulance and Emergency Medical Services Funds in 2018.

We also noted that the Township did not file original notes with the 2018 Hinkle Filing. All of the information presented was from 2017.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

BETHEL TOWNSHIP
CLARK COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 – 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2019-001 (Continued)

Official's Response – *I was appointed in April 2019 as Fiscal Officer for Bethel Township, Clark County. At the time the prior fiscal officer had not fulfilled any of her duties except processing payroll. Most of the financial ORC codes were not followed in their entirety, as a result I could not follow them in their entirety until the start of 2020.*

In reference to my previous statement, I was not present to set the classifications of funds and now that I am aware they will be corrected for future audits. Also, I did not do the original and final appropriations for 2018 and in 2019 the final appropriations were not correct as a result of the disorder created before my appointment. In reference to the 2018 Hinkle filing, I was not present for that as well and am unable to respond. I am aware of the Hinkle filing system and am up to date with current procedures.

FINDING NUMBER 2019-002

Material Weakness

Major Fund Presentation

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least ten percent of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. Nonmajor funds should be reported in the aggregate in a separate column.

We noted that for 2019, the Township did not properly present the Road and Bridge, Fire District, Permissive Motor Vehicle License Tax, and Ambulance and Emergency Services Funds as major funds as required by GASB 34.

We recommend that the Township perform a determination of major funds to ensure that the required funds are presented as major.

Official's Response – *Properly presenting the major fund classification will be done correctly in the future.*

BETHEL TOWNSHIP
CLARK COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 – 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2019-003

Material Weakness/Noncompliance

Budgetary Controls

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Township making financial decisions based on incorrect or incomplete information. We noted the following:

- **Violations of 5705.39** indicating that no appropriation measure shall become effective until the county auditor files with appropriating authority a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed such official estimate or amended official estimate; and
- **Violations of 5705.41(B)** indicating disbursements cannot exceed appropriation authority.
- **Violations of 5705.41(D)** indicating that all commitments be properly encumbered as required by Ohio law.

Although the Board approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure that budgetary forms are properly completed and submitted to the County Budget Commission timely.

The Board should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Township is complying with applicable sections. If the Board does not consider these necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Township Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Township Board and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in varying amounts posted to the accounting system and information available to the Township Officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Township implement procedures to ensure estimated receipts and appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Official's Response – *In 2018 and part of 2019 most invoices were unpaid and delinquent. Due to the risk of fiscal emergency for township operations, the proper appropriations and certificate of estimated resources procedures were not followed.*

**BETHEL TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Ohio Revised Code 5705.10(D) Ohio Revised Code 4504.18 Ohio Revised Code 5735.27(A)(3)(d)	Corrected	N/A
2017-002	Financial Statement Errors	Not Corrected	Repeated as Finding 2019-001

OHIO AUDITOR OF STATE KEITH FABER



BETHEL TOWNSHIP

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/28/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov