



Dave Yost • Auditor of State



**BETHEL TOWNSHIP  
CLARK COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Bethel Township  
Clark County  
3333 Lake Road  
Medway, Ohio 45341

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash 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, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire District, and Ambulance and Emergency Medical Services Funds, thereof, for the years then ended in conformity with the accounting basis Note 2 describes.

As described in Note 11, during 2011 Bethel Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2012, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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



**Dave Yost**  
Auditor of State

June 18, 2012

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)**

This discussion and analysis of Bethel Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2011 and December 31, 2010 within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2011 and 2010 are as follows:

- Net assets of governmental activities decreased \$537,481 or 20.6% in 2010 and \$47,475 or 2.3% in 2011. The funds mostly affected by the decrease were the Fire District and Ambulance and Emergency Medical Services Funds because of payments to contractors for finishing the new fire station and furnishing it. In 2010 and 2011, significant payments to retire principal in the new fire station were made.
- In 2010, the Township's receipts primarily consisted of property taxes, Capital Grant and Contributions, and state levied taxes given to the township. These receipts represent 25, 30, and 17 percent in 2010 respectively. In 2011 the Township's receipts consisted of property taxes, state levied taxes given to the township, and EMS Billings. These receipts represent 39, 21, and 24 percent in 2011 respectively.
- Construction for a new fire station began in 2009 and was completed in April 2010. Total cost of the fire station was \$1,755,000. The building was paid for by the issuance of \$1,200,000 of bonds and the remainder out of the Fire and EMS fund savings. In 2010, the township started making payments on the bonds and retired \$200,000 in 2010 and \$264,825 in 2011. In 2010, the old fire station located on Gerlaugh Road was sold to the County Utilities Department for \$177,500.
- The Township was fortunate to receive four significant grants during the period. It received a FEMA grant in the amount of \$51,543 to purchase fitness equipment to outfit both fire stations in 2010. In 2010, the township was awarded its first OPWC grant which consisted of a bridge replacement, a complete overhaul of several major roads in Park Layne, curb and gutter repairs, and new fire hydrants. The township received a total of \$1,021,863 in funding through OPWC. In 2011, a FEMA flood mitigation grant in the amount of \$110,369 was received to buy and tear down a house in the township that repeatedly floods. The Township also received two Natureworks grants in 2010 and 2011, for a total of \$47,189, for upgrades to Donnelville Park.
- Other significant purchases include a new tanker truck for \$316,263 and a Lifepak 15 (EMS vitals monitor) for \$27,198 in 2010. There were no significant purchases in 2011.

**Using the Basic Financial Statements**

This annual report is presented in format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

**Report Components**

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

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

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

**Basis of Accounting**

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

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2010 and 2011 within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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



**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

**Reporting the Township's Most Significant Funds**

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

**Governmental Funds** – Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined to present in total in a single column. The Township's major funds include:

- General Fund
- Gasoline Tax
- Road & Bridge Fund
- Fire District Fund
- Ambulance and Emergency Medical Services Fund
- OPWC Project Fund (in 2010 only)
- Fire Station Bond Retirement Fund (in 2011 only)

The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. The Township has one cemetery bequest fund considered a fiduciary fund. Fiduciary funds are not reflected on the township-wide financial statements because the resources of these funds are not available to support the Township's programs.

**The Township as a Whole**

Table 1 (on page 8) provides a summary of the Township's net assets for 2011 and 2010 compared to 2009 on a cash basis.

As mentioned previously, net assets of governmental activities decreased \$537,481 or 20.6% in 2010 and \$47,475 or 2.3% in 2011. The funds most affected by this were the Fire District and the Ambulance and Emergency Medical Services funds. These departments were spending more than normal to finish and furnish the new fire station.

Table 2 (page 8) reflects the changes in net assets in for 2011 and 2010 in comparison to 2009.

Program receipts represent 44 percent of total receipts in 2010 and 33 percent in 2011. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, sales of cemetery lots and charges associated with burials, charges for ambulance and emergency medical services, assessments to real estate taxes for providing lighting in lighting districts and capital grant projects.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

General receipts represent 56 percent of the Township's total receipts in 2010 and 67 percent in 2011. Approximately 45 percent in 2010 and 59 percent in 2011 of the general receipts are property taxes; State and Federal grants and entitlements made up 30 percent in 2010 and 31 percent in 2011; and Sale of Bonds made up 8 percent of the general receipts in 2010; Cable Franchise fees made up 3 percent in 2010 and 4 percent in 2011 of general receipts. Other general receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include costs of the Township Trustees, the Township Fiscal Officer and the costs of maintaining the Township administrative building. Public Safety and Public Works include the costs of police, fire and EMS services, and the road department. Health includes costs of running and maintaining the townships active/inactive cemeteries. Conservation and recreation include costs to maintain several parks within the community. Capital outlay includes purchases related to equipment, vehicles, or buildings.

**Governmental Activities**

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are Public Safety (28%) and Capital Outlay (49%) in 2010 and Public Safety (43%) and Public Works (23%) in 2011. General government also represents a significant cost, about 7 percent in 2010 and 9 percent in 2011. In 2010, Capital Outlay accounted for 49 percent of the disbursements due to OPWC project grant fund implementation. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (Disbursement) columns compare the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 (page 9).

The dependence upon property tax receipts is apparent as 61 percent in 2010 and 67 percent in 2011 of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$2,232,569 and \$3,248,933 and disbursements of \$2,315,144 and \$4,124,287 in 2011 and 2010, respectively. The difference between years was due to the \$999,873 OPWC project in 2010. The greatest change within governmental funds occurred within the General Fund in 2011 and within the Fire District and Ambulance and Emergency Medical Services Funds in 2010. The fund balances decreased \$56,730, \$237,330, and \$324,585, respectively for the funds as a result of lower revenues and higher payroll expenditures for the General Fund and additional debt payments for the Fire District and Ambulance and Emergency Medical Services Funds.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2011 and 2010, the Township amended its General Fund budget several times to reflect changing circumstances. There were no significant differences between final budgeted receipts and original budgeted receipts in either 2011 or 2010. In 2011, actual receipts were \$56,501 or 33% higher than budgeted due to significant estate tax receipts and donations for the Medway street project. In 2010, actual receipts were \$238,359 or 169% higher than budgeted due to significant estate tax receipts and increased cable franchise fees.

Final disbursements were budgeted at \$409,240 and \$433,908 while actual disbursements were \$264,230 and \$358,056, for 2011 and 2010, respectively. There were no significant differences between original and final budgeted disbursements in 2011; however, the difference in 2010 was \$48,500 or 13% due to new building furnishings and unforeseen cabin repairs. Although the Township received more revenue than expected and disbursed less than expected in both years, the fund balance decreased \$56,730 in 2011 and increased \$71,199 in 2010. The decrease in 2011 was due to advances to grant funds and the increase in 2010 was due to sale of assets.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets.

**Debt**

At December 31, 2011, the Township's outstanding debt included \$735,175 in Fire Station Bonds issued for constructing and equipping a new fire station. For further information regarding the Township's debt, refer to Note 6 to the basic financial statements.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, shrinking funding. We rely heavily on real estate taxes and have very little industry to support the tax base. The Township's strategy is to try to save money where possible. In 2010, the Township sought a small additional Police levy which was needed in order to continue to fund two deputies. That levy did not pass and the township was forced to reduce the number of deputies to one in order to keep costs within revenues. In the future the Township will need to seek out additional property tax levies to keep up with rising costs.

**Contacting the Township's Fiscal Officer**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Melanie M. Cochran, Township Fiscal Officer, Bethel Township, 3333 Lake Road, Medway, Ohio 45341.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

**Net Assets - Table 1**

	<b>Governmental Activities</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$2,607,796	\$2,070,315	\$2,022,840
Total Assets	<u>2,607,796</u>	<u>2,070,315</u>	<u>2,022,840</u>
<b>Net Assets:</b>			
<b>Restricted For:</b>			
Debt Service	44,091	14,411	
Capital Outlay		10,180	
<b>Permanent Fund:</b>			
Non-Expendable	200	200	200
Expendable	744	756	764
Other Purposes	2,090,801	1,500,860	1,534,698
Unrestricted	<u>471,960</u>	<u>543,908</u>	<u>487,178</u>
Total Net Assets	<u>\$2,607,796</u>	<u>\$2,070,315</u>	<u>\$2,022,840</u>

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

**Changes in Net Assets - Table 2**

	<b>Governmental Activities</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Receipts:</b>			
<b>Program Receipts:</b>			
Charges for Services and Sales	\$ 461,849	\$ 367,750	\$ 544,978
Operating Grants and Contributions	241,277	152,276	164,590
Capital Grants and Contributions		1,075,284	45,311
Total Program Receipts	<u>703,126</u>	<u>1,595,310</u>	<u>754,879</u>
<b>General Receipts:</b>			
Property and Other Local Taxes	901,562	893,109	886,992
Grants and Entitlements Not Restricted to Specific Programs	651,342	603,123	466,472
Sale of Bonds	1,043,137	156,863	
Sale of Capital Assets		181,010	35,100
Cable Franchise Fees	95,567	66,354	68,644
Interest	33,789	31,837	18,019
Miscellaneous	22,463	59,200	37,563
Total General Receipts	<u>2,747,860</u>	<u>1,991,496</u>	<u>1,512,790</u>
Total Receipts	<u>3,450,986</u>	<u>3,586,806</u>	<u>2,267,669</u>

(Continued)

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011 AND 2010  
(UNAUDITED)  
(Continued)**

**Changes in Net Assets - Table 2  
(Continued)**

	<b>Governmental Activities</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Disbursements:</b>			
General Government	268,882	289,331	214,632
Public Safety	1,125,417	1,138,214	1,005,457
Public Works	473,877	392,593	544,108
Health	11,201	11,792	10,441
Conservation-Recreation	35,552	50,296	40,657
Other	77,568		2,221
Capital Outlay	1,275,481	2,017,742	197,628
Principal Retirement		200,000	264,825
Interest and Fiscal Charges	6,071	24,319	35,175
Total Disbursements	<u>3,274,049</u>	<u>4,124,287</u>	<u>2,315,144</u>
Increase (Decrease) in Net Assets	176,937	(537,481)	(47,475)
Net Assets, January 1	2,430,859	2,607,796	2,070,315
Net Assets, December 31	<u>\$2,607,796</u>	<u>\$2,070,315</u>	<u>\$2,022,840</u>

Table 2 reflects the changes in net assets in for 2011 and 2010 in comparison to 2009.

**Governmental Activities - Table 3**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
	<b>2009</b>	<b>2009</b>	<b>2010</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>
General Government	\$ 268,882	(\$ 268,882)	\$ 289,331	(\$ 289,331)	\$ 214,632	(\$ 214,632)
Public Safety	1,125,417	(789,127)	1,138,214	(840,326)	1,005,457	(587,776)
Public Works	473,877	(116,323)	392,593	877,328	544,108	(241,273)
Health	11,201	(3,429)	11,792	(10,732)	10,441	(7,591)
Conservation-Recreation	35,552	(34,042)	50,296	(24,727)	40,657	(15,386)
Other	77,568	(77,568)		872	2,221	4,021
Capital Outlay	1,275,481	(1,275,481)	2,017,742	(2,017,742)	197,628	(197,628)
<b>Debt Service:</b>						
Principal Retirement			200,000	(200,000)	264,825	(264,825)
Interest and Fiscal	6,071	(6,071)	24,319	(24,319)	35,175	(35,175)
Total Expenses	<u>\$3,274,049</u>	<u>(\$2,570,923)</u>	<u>\$4,124,287</u>	<u>(\$2,528,977)</u>	<u>\$2,315,144</u>	<u>(\$1,560,265)</u>

A comparison between the total cost of services and the net cost is presented in Table 3.

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**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2011**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,022,840</u>
Total Assets	<u><u>2,022,840</u></u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Permanent Fund: Cemetery Bequest	
Expendable	764
NonExpendable	200
Other Purposes	1,534,698
Unrestricted	<u>487,178</u>
Total Net Assets	<u><u>\$2,022,840</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Cash</u>	<u>Program Cash Receipts</u>			<u>Net (Disbursements)</u>
		<u>Disbursements</u>	<u>Charges</u>	<u>Operating</u>	<u>Capital</u>
		<u>for Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net Assets</u>
		<u>and Sales</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
<b>Governmental Activities:</b>					
General Government	\$214,632				(\$214,632)
Public Safety	1,005,457	\$417,681			(587,776)
Public Works	544,108	116,255	\$164,590	\$21,990	(241,273)
Health	10,441	2,850			(7,591)
Conservation-Recreation	40,657	1,950		23,321	(15,386)
Other	2,221	6,242			4,021
Capital Outlay	197,628				(197,628)
<b>Debt Service:</b>					
Principal Retirement	264,825				(264,825)
Interest and Fiscal Charges	35,175				(35,175)
<b>Total Governmental Activities</b>	<b>\$2,315,144</b>	<b>\$544,978</b>	<b>\$164,590</b>	<b>\$45,311</b>	<b>(1,560,265)</b>
<b>General Receipts:</b>					
Property and Other Taxes					886,992
Grants and Entitlements not Restricted to Specific Programs					466,472
Sale of Capital Assets					35,100
Cable Franchise Fees					68,644
Earnings on Investments					18,019
Miscellaneous					37,563
<b>Total General Receipts</b>					<b>1,512,790</b>
Change in Net Assets					(47,475)
Net Assets Beginning of Year					2,070,315
Net Assets End of Year					<b>\$2,022,840</b>

See accompanying notes to the basic financial statements.



BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

	General	Gasoline Tax	Road and Bridge	Fire District	Ambulance and Emergency Medical Services	Fire Station Bond	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>								
Equity in Pooled Cash and Cash Equivalents	\$487,178	\$274,101	\$101,692	\$374,849	\$306,582	\$0	\$478,438	\$2,022,840
Total Assets	<u>487,178</u>	<u>274,101</u>	<u>101,692</u>	<u>374,849</u>	<u>306,582</u>	<u>\$0</u>	<u>478,438</u>	<u>2,022,840</u>
<b>Fund Balances:</b>								
Nonspendable							200	200
Restricted		274,101		374,849	306,582		478,238	1,433,770
Committed			101,692					101,692
Assigned								
Unassigned (Deficit)	487,178							487,178
Total Fund Balances	<u>487,178</u>	<u>274,101</u>	<u>101,692</u>	<u>374,849</u>	<u>306,582</u>	<u>\$0</u>	<u>478,438</u>	<u>2,022,840</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Gasoline Tax	Road and Bridge	Fire District	Ambulance and Emergency Medical Services	Fire Station Bond	Other Governmental Funds	Total Governmental Funds
<b>Receipts:</b>								
Property and Other Local Taxes			\$192,295	\$580,550			\$184,010	\$956,855
Charges for Services					\$407,653			407,653
Licenses, Permits and Fees	\$68,644						2,850	71,494
Fines and Forfeitures	10,028							10,028
Intergovernmental	104,472	\$132,851	45,026	146,079			247,945	676,373
Special Assessments	6,242						46,392	52,634
Earnings on Investments	14,585	2,344				\$39	1,051	18,019
Miscellaneous	21,529		1,756	15,811	417			39,513
<b>Total Receipts</b>	<b>225,500</b>	<b>135,195</b>	<b>239,077</b>	<b>742,440</b>	<b>408,070</b>	<b>39</b>	<b>482,248</b>	<b>2,232,569</b>
<b>Disbursements:</b>								
<b>Current:</b>								
General Government	214,632							214,632
Public Safety				576,666	311,530		117,261	1,005,457
Public Works	772	137,215	237,105				169,016	544,108
Health	8,169						2,272	10,441
Conservation-Recreation	40,657							40,657
Other							2,221	2,221
Capital Outlay			16,267	1,942			179,419	197,628
<b>Debt Service:</b>								
Principal Retirement						264,825		264,825
Interest and Fiscal Charges						35,175		35,175
<b>Total Disbursements</b>	<b>264,230</b>	<b>137,215</b>	<b>253,372</b>	<b>578,608</b>	<b>311,530</b>	<b>300,000</b>	<b>470,189</b>	<b>2,315,144</b>
Excess of Receipts Over (Under)								
Disbursements	(38,730)	(2,020)	(14,295)	163,832	96,540	(299,961)	12,059	(82,575)
<b>Other Financing Sources (Uses):</b>								
Sale of Capital Assets				35,100				35,100
Transfers In						285,550		285,550
Transfers Out				(192,775)	(92,775)			(285,550)
Advances In	12,000						30,000	42,000
Advances Out	(30,000)						(12,000)	(42,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(18,000)</b>			<b>(157,675)</b>	<b>(92,775)</b>	<b>285,550</b>	<b>18,000</b>	<b>35,100</b>
<b>Net Change in Fund Balances</b>	<b>(56,730)</b>	<b>(2,020)</b>	<b>(14,295)</b>	<b>6,157</b>	<b>3,765</b>	<b>(14,411)</b>	<b>30,059</b>	<b>(47,475)</b>
Fund Balances Beginning of Year	543,908	276,121	115,987	368,692	302,817	14,411	448,379	2,070,315
Fund Balances End of Year	<u>\$487,178</u>	<u>\$274,101</u>	<u>\$101,692</u>	<u>\$374,849</u>	<u>\$306,582</u>	<u>\$0</u>	<u>\$478,438</u>	<u>\$2,022,840</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Licenses, Permits and Fees	\$60,000	\$60,000	\$68,644	\$8,644
Fines and Forfeitures	8,000	8,000	10,028	2,028
Intergovernmental	80,360	79,499	104,472	24,973
Special Assessments			6,242	6,242
Earnings on Investments	20,000	20,000	14,585	(5,415)
Miscellaneous	1,500	1,500	21,529	20,029
Total receipts	<u>169,860</u>	<u>168,999</u>	<u>225,500</u>	<u>56,501</u>
<b>Disbursements:</b>				
<b>Current:</b>				
General Government	319,154	320,194	214,632	105,562
Public Works	10,000	10,000	772	9,228
Health	15,042	15,042	8,169	6,873
Conservation-Recreation	64,004	64,004	40,657	23,347
Total Disbursements	<u>408,200</u>	<u>409,240</u>	<u>264,230</u>	<u>145,010</u>
Excess of Receipts Over (Under) Disbursements	<u>(238,340)</u>	<u>(240,241)</u>	<u>(38,730)</u>	<u>201,511</u>
<b>Other Financing Sources (Uses):</b>				
Advances In			12,000	12,000
Advances Out	(30,000)	(30,000)	(30,000)	
Other Financing Uses	(275,568)	(273,668)		273,668
Total Other Financing Sources (Uses)	<u>(305,568)</u>	<u>(303,668)</u>	<u>(18,000)</u>	<u>285,668</u>
Net Change in Fund Balance	(543,908)	(543,909)	(56,730)	487,179
Unencumbered Fund Balance Beginning of Year	543,159	543,159	543,159	
Prior Year Encumbrances Appropriated	<u>749</u>	<u>749</u>	<u>749</u>	
Unencumbered Fund Balance End of Year	<u>\$0</u>	<u>(\$1)</u>	<u>\$487,178</u>	<u>\$487,179</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts:</b>				
Intergovernmental	\$130,000	\$122,000	\$132,851	\$10,851
Earnings on Investments	2,000	2,000	2,344	344
Total receipts	<u>132,000</u>	<u>124,000</u>	<u>135,195</u>	<u>11,195</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	408,121	400,121	143,895	256,226
Total Disbursements	<u>408,121</u>	<u>400,121</u>	<u>143,895</u>	<u>256,226</u>
Excess of Receipts Over (Under) Disbursements	<u>(276,121)</u>	<u>(276,121)</u>	<u>(8,700)</u>	<u>267,421</u>
Net Change in Fund Balance	(276,121)	(276,121)	(8,700)	267,421
Unencumbered Fund Balance Beginning of Year	276,121	276,121	276,121	
Prior Year Encumbrances Appropriated	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Unencumbered Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$267,421</u>	<u>\$267,421</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$201,662	\$201,662	\$192,295	(\$9,367)
Intergovernmental	22,360	22,360	45,026	22,666
Miscellaneous	500	500	1,756	1,256
Total receipts	<u>224,522</u>	<u>224,522</u>	<u>239,077</u>	<u>14,555</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	316,687	324,187	237,105	87,082
Capital Outlay	23,823	16,323	16,267	56
Total Disbursements	<u>340,510</u>	<u>340,510</u>	<u>253,372</u>	<u>87,138</u>
Excess of Receipts Over (Under) Disbursements	<u>(115,988)</u>	<u>(115,988)</u>	<u>(14,295)</u>	<u>101,693</u>
Net Change in Fund Balance	(115,988)	(115,988)	(14,295)	101,693
Unencumbered Fund Balance Beginning of Year	114,801	114,801	114,801	
Prior Year Encumbrances Appropriated	<u>1,186</u>	<u>1,186</u>	<u>1,186</u>	
Unencumbered Fund Balance End of Year	<u>(\$1)</u>	<u>(\$1)</u>	<u>\$101,692</u>	<u>\$101,693</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$597,439	\$597,439	\$580,550	(\$16,889)
Intergovernmental	96,788	96,788	146,079	49,291
Miscellaneous	500	500	15,811	15,311
Total receipts	<u>694,727</u>	<u>694,727</u>	<u>742,440</u>	<u>47,713</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	754,149	739,149	576,666	162,483
Capital Outlay	9,271	24,271	23,842	429
Total Disbursements	<u>763,420</u>	<u>763,420</u>	<u>600,508</u>	<u>162,912</u>
Excess of Receipts Over (Under) Disbursements	<u>(68,693)</u>	<u>(68,693)</u>	<u>141,932</u>	<u>210,625</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets			35,100	35,100
Transfers Out	(200,000)	(200,000)	(192,775)	7,225
Other Financing Uses	(100,000)	(100,000)		100,000
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(157,675)</u>	<u>142,325</u>
Net Change in Fund Balance	(368,693)	(368,693)	(15,743)	352,950
Unencumbered Fund Balance Beginning of Year	368,543	368,543	368,543	
Prior Year Encumbrances Appropriated	<u>149</u>	<u>149</u>	<u>149</u>	
Unencumbered Fund Balance End of Year	<u>(\$1)</u>	<u>(\$1)</u>	<u>\$352,949</u>	<u>\$352,950</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
AMBULANCE AND EMERGENCY MEDICAL SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts:</b>				
Charges for Services	\$275,000	\$275,000	\$407,653	\$132,653
Miscellaneous	500	500	417	(83)
Total receipts	<u>275,500</u>	<u>275,500</u>	<u>408,070</u>	<u>132,570</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	<u>415,316</u>	<u>415,316</u>	<u>311,530</u>	<u>103,786</u>
Total Disbursements	<u>415,316</u>	<u>415,316</u>	<u>311,530</u>	<u>103,786</u>
Excess of Receipts Over (Under) Disbursements	<u>(139,816)</u>	<u>(139,816)</u>	<u>96,540</u>	<u>236,356</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(100,000)	(100,000)	(92,775)	7,225
Other Financing Uses	<u>(63,000)</u>	<u>(63,000)</u>	<u>(92,775)</u>	<u>63,000</u>
Total Other Financing Sources (Uses)	<u>(163,000)</u>	<u>(163,000)</u>	<u>(92,775)</u>	<u>70,225</u>
Net Change in Fund Balance	(302,816)	(302,816)	3,765	306,581
Unencumbered Fund Balance Beginning of Year	302,752	302,752	302,752	
Prior Year Encumbrances Appropriated	<u>65</u>	<u>65</u>	<u>65</u>	
Unencumbered Fund Balance End of Year	<u>\$1</u>	<u>\$1</u>	<u>\$306,582</u>	<u>\$306,581</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
DECEMBER 31, 2011

	<u>Private Purpose Trust</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$805
Total Assets	<u>805</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	805
Total Net Assets	<u>\$805</u>

*See accompanying notes to the basic financial statements.*



BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest	<u>\$7</u>
Change in Net Assets	7
Net Assets - Beginning of Year	<u>798</u>
Net Assets - End of Year	<u><u>\$805</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2010**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,070,315
Total Assets	2,070,315
 <b>Net Assets:</b>	
<b>Restricted for:</b>	
Capital Projects	10,180
Debt Service	14,411
Permanent Fund: Cemetery Bequest	
Expendable	756
Non-Expendable	200
Other Purposes	1,500,860
Unrestricted	543,908
Total Net Assets	\$2,070,315

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>					
General Government	\$289,331				(\$289,331)
Public Safety	1,138,214	\$246,345		\$51,543	(840,326)
Public Works	392,593	117,772	\$152,276	999,873	877,328
Health	11,792	1,060			(10,732)
Conservation-Recreation	50,296	1,701		23,868	(24,727)
Other		872			872
Capital Outlay	2,017,742				(2,017,742)
<b>Debt Service:</b>					
Principal	200,000				(200,000)
Interest	24,319				(24,319)
<b>Total Governmental Activities</b>	<u>\$4,124,287</u>	<u>\$367,750</u>	<u>\$152,276</u>	<u>\$1,075,284</u>	<u>(2,528,977)</u>
<b>General Receipts:</b>					
Property and Other Taxes					893,109
Grants and Entitlements not Restricted to Specific Programs					603,123
Sale of Bonds					156,863
Sale of Fixed Assets					181,010
Cable Franchise Fees					66,354
Earnings on Investments					31,837
Miscellaneous					59,200
<b>Total General Receipts</b>					<u>1,991,496</u>
Change in Net Assets					(537,481)
Net Assets Beginning of Year					<u>2,607,796</u>
Net Assets End of Year					<u>\$2,070,315</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	<b>General</b>	<b>Gasoline Tax</b>	<b>Road and Bridge</b>	<b>Fire District</b>	<b>Ambulance and Emergency Medical Services</b>	<b>OPWC Project 2010</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>								
Equity in Pooled Cash and Cash Equivalents	\$543,908	\$276,121	\$115,987	\$368,692	\$302,817	\$0	\$462,790	\$2,070,315
Total Assets	<u>543,908</u>	<u>276,121</u>	<u>115,987</u>	<u>368,692</u>	<u>302,817</u>	<u>\$0</u>	<u>462,790</u>	<u>2,070,315</u>
<b>Fund Balances:</b>								
<b>Reserved:</b>								
Reserved for Encumbrances	749		1,186	149	65			2,149
<b>Unreserved:</b>								
<b>Undesignated, Reported in:</b>								
General Fund	543,159							543,159
Special Revenue Funds		276,121	114,801	368,543	302,752		437,243	1,499,460
Debt Service Fund							14,411	14,411
Capital Projects Funds							10,180	10,180
Permanent Fund							956	956
Total Fund Balances	<u>\$543,908</u>	<u>\$276,121</u>	<u>\$115,987</u>	<u>\$368,692</u>	<u>\$302,817</u>	<u>\$0</u>	<u>\$462,790</u>	<u>\$2,070,315</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Gasoline Tax	Road and Bridge	Fire District	Ambulance and Emergency Medical Services	OPWC Project 2010	Other Governmental Funds	Total Governmental Funds
<b>Receipts:</b>								
Property and Other Local Taxes			\$196,230	\$582,661			\$186,013	\$964,904
Charges for Services					\$232,216			232,216
Licenses, Permits and Fees	\$66,354						1,060	67,414
Fines and Forfeitures	14,129							14,129
Intergovernmental	261,379	\$130,564	50,104	215,131		\$999,873	173,632	1,830,683
Special Assessments	872						45,977	46,849
Earnings on Investments	27,037	2,759					2,041	31,837
Miscellaneous	9,484		1,136	21,206	18,710		10,365	60,901
<b>Total Receipts</b>	<b>379,255</b>	<b>133,323</b>	<b>247,470</b>	<b>818,998</b>	<b>250,926</b>	<b>999,873</b>	<b>419,088</b>	<b>3,248,933</b>
<b>Disbursements:</b>								
<b>Current:</b>								
General Government	289,331							289,331
Public Safety	3,608			570,504	333,199		230,903	1,138,214
Public Works	4,382	15,120	211,481				161,610	392,593
Health	9,690						2,102	11,792
Conservation-Recreation	50,296							50,296
Other								
Capital Outlay			216,695	476,164	148,662	\$999,873	176,348	2,017,742
<b>Debt Service:</b>								
Principal Retirement							200,000	200,000
Interest and Fiscal Charges							24,319	24,319
<b>Total Disbursements</b>	<b>357,307</b>	<b>15,120</b>	<b>428,176</b>	<b>1,046,668</b>	<b>481,861</b>	<b>999,873</b>	<b>795,282</b>	<b>4,124,287</b>
Excess of Receipts Over (Under) Disbursements	21,948	118,203	(180,706)	(227,670)	(230,935)		(376,194)	(875,354)
<b>Other Financing Sources (Uses):</b>								
Sale of Bonds							156,863	156,863
Sale of Fixed Assets	90,000			87,500	3,510			181,010
Transfers In							234,320	234,320
Transfers Out	(40,000)			(97,160)	(97,160)			(234,320)
Advances In	73,144					19,000		92,144
Advances Out	(73,144)					(19,000)		(92,144)
<b>Total Other Financing Sources (Uses)</b>	<b>50,000</b>			<b>(9,660)</b>	<b>(93,650)</b>		<b>391,183</b>	<b>337,873</b>
<b>Net Change in Fund Balances</b>	<b>71,948</b>	<b>118,203</b>	<b>(180,706)</b>	<b>(237,330)</b>	<b>(324,585)</b>		<b>14,989</b>	<b>(537,481)</b>
Fund Balances Beginning of Year	471,960	157,918	296,693	606,022	627,402		447,801	2,607,796
<b>Fund Balances End of Year</b>	<b>\$543,908</b>	<b>\$276,121</b>	<b>\$115,987</b>	<b>\$368,692</b>	<b>\$302,817</b>	<b>\$0</b>	<b>\$462,790</b>	<b>\$2,070,315</b>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Licenses, Permits and Fees	\$30,000	\$30,000	\$66,354	\$36,354
Fines and Forfeitures	12,000	12,000	14,129	2,129
Intergovernmental	77,896	77,896	261,379	183,483
Special Assessments			872	872
Earnings on Investments	20,000	20,000	27,037	7,037
Miscellaneous	1,000	1,000	9,484	8,484
Total receipts	<u>140,896</u>	<u>140,896</u>	<u>379,255</u>	<u>238,359</u>
<b>Disbursements:</b>				
<b>Current:</b>				
General Government	311,408	326,408	290,035	36,373
Public Safety	6,000	6,000	3,608	2,392
Public Works	3,000	20,500	4,382	16,118
Health	17,000	17,000	9,732	7,268
Conservation-Recreation	48,000	64,000	50,299	13,701
Total Disbursements	<u>385,408</u>	<u>433,908</u>	<u>358,056</u>	<u>75,852</u>
Excess of Receipts Over (Under) Disbursements	<u>(244,512)</u>	<u>(293,012)</u>	<u>21,199</u>	<u>314,211</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Fixed Assets			90,000	90,000
Transfers Out	(40,000)	(40,000)	(40,000)	0
Advances In			73,144	73,144
Advances Out	(25,000)	(54,144)	(73,144)	(19,000)
Other Financing Uses	<u>(162,402)</u>	<u>(84,758)</u>		<u>84,758</u>
Total Other Financing Sources (Uses)	<u>(227,402)</u>	<u>(178,902)</u>	<u>50,000</u>	<u>228,902</u>
Net Change in Fund Balance	(471,914)	(471,914)	71,199	543,113
Unencumbered Fund Balance Beginning of Year	467,507	467,507	467,507	
Prior Year Encumbrances Appropriated	<u>4,453</u>	<u>4,453</u>	<u>4,453</u>	
Unencumbered Fund Balance End of Year	<u>\$46</u>	<u>\$46</u>	<u>\$543,159</u>	<u>\$543,113</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GASOLINE TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	110,000	110,000	130,564	20,564
Earnings on Investments	2,000	2,000	2,759	759
Total receipts	<u>112,000</u>	<u>112,000</u>	<u>133,323</u>	<u>21,323</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	269,919	269,919	15,120	254,799
Total Disbursements	<u>269,919</u>	<u>269,919</u>	<u>15,120</u>	<u>254,799</u>
Excess of Receipts Over (Under) Disbursements	<u>(157,919)</u>	<u>(157,919)</u>	<u>118,203</u>	<u>276,122</u>
Net Change in Fund Balance	(157,919)	(157,919)	118,203	276,122
Unencumbered Fund Balance Beginning of Year	157,918	157,918	157,918	
Prior Year Encumbrances Appropriated	_____	_____	_____	_____
Unencumbered Fund Balance End of Year	<u>(\$1)</u>	<u>(\$1)</u>	<u>\$276,121</u>	<u>\$276,122</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts:</b>				
Property and Other Local Taxes	\$205,995	\$205,995	\$196,230	(\$9,765)
Intergovernmental	39,249	39,249	50,104	10,855
Miscellaneous	500	500	1,136	636
Total receipts	<u>245,744</u>	<u>245,744</u>	<u>247,470</u>	<u>1,726</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	539,184	320,117	212,667	107,450
Capital Outlay		219,067	216,695	2,372
Total Disbursements	<u>539,184</u>	<u>539,184</u>	<u>429,362</u>	<u>109,822</u>
Excess of Receipts Over (Under) Disbursements	<u>(293,440)</u>	<u>(293,440)</u>	<u>(181,892)</u>	<u>111,548</u>
Net Change in Fund Balance	(293,440)	(293,440)	(181,892)	111,548
Unencumbered Fund Balance Beginning of Year	296,693	296,693	296,693	
Prior Year Encumbrances Appropriated				
Unencumbered Fund Balance End of Year	<u>\$3,253</u>	<u>\$3,253</u>	<u>\$114,801</u>	<u>\$111,548</u>

*See accompanying notes to the basic financial statements.*



**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property and Other Local Taxes	\$610,348	\$610,348	\$582,661	(\$27,687)
Intergovernmental	133,053	133,053	215,131	82,078
Miscellaneous	1,000	1,000	21,206	20,206
Total receipts	<u>744,401</u>	<u>744,401</u>	<u>818,998</u>	<u>74,597</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	794,500	724,500	570,653	153,847
Capital Outlay	239,261	502,102	476,164	25,938
Total Disbursements	<u>1,033,761</u>	<u>1,226,602</u>	<u>1,046,817</u>	<u>179,785</u>
Excess of Receipts Over (Under) Disbursements	<u>(289,360)</u>	<u>(482,201)</u>	<u>(227,819)</u>	<u>254,382</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Fixed Assets			87,500	87,500
Transfers Out	(60,000)	(97,160)	(97,160)	
Other Financing Uses	(232,500)	(2,500)		2,500
Total Other Financing Sources (Uses)	<u>(292,500)</u>	<u>(99,660)</u>	<u>(9,660)</u>	<u>90,000</u>
Net Change in Fund Balance	(581,860)	(581,861)	(237,479)	344,382
Unencumbered Fund Balance Beginning of Year	605,297	605,297	605,297	
Prior Year Encumbrances Appropriated	<u>725</u>	<u>725</u>	<u>725</u>	
Unencumbered Fund Balance End of Year	<u>\$24,162</u>	<u>\$24,161</u>	<u>\$368,543</u>	<u>\$344,382</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
AMBULANCE AND EMERGENCY MEDICAL SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Charges for Services	\$225,000	\$225,000	\$232,216	\$7,216
Miscellaneous	300	300	18,710	18,410
Total receipts	<u>225,300</u>	<u>225,300</u>	<u>250,926</u>	<u>25,626</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Public Safety	372,368	405,368	333,264	72,104
Capital Outlay	220,334	175,174	148,662	26,512
Total Disbursements	<u>592,702</u>	<u>580,542</u>	<u>481,926</u>	<u>98,616</u>
Excess of Receipts Over (Under) Disbursements	<u>(367,402)</u>	<u>(355,242)</u>	<u>(231,000)</u>	<u>124,242</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Fixed Assets			3,510	3,510
Transfers Out	(60,000)	(97,160)	(97,160)	
Other Financing Uses	(200,000)	(175,000)		175,000
Total Other Financing Sources (Uses)	<u>(260,000)</u>	<u>(272,160)</u>	<u>(93,650)</u>	<u>178,510</u>
Net Change in Fund Balance	(627,402)	(627,402)	(324,650)	302,752
Unencumbered Fund Balance Beginning of Year	619,034	619,034	619,034	
Prior Year Encumbrances Appropriated	<u>8,368</u>	<u>8,368</u>	<u>8,368</u>	
Unencumbered Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$302,752</u>	<u>\$302,752</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
DECEMBER 31, 2010

	<u>Private Purpose Trust</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$798
Total Assets	<u>798</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Other Purposes	798
Total Net Assets	<u>\$798</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest	<u>\$10</u>
Change in Net Assets	10
Net Assets - Beginning of Year	<u>788</u>
Net Assets - End of Year	<u><u>\$798</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. REPORTING ENTITY**

Bethel Township, Clark County, (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 Township provides general government services, maintenance of Township roads and bridges, fire protection and emergency medical services, and cemetery maintenance. The Township contracts with the Clark County Sheriff to provide police protection.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire and emergency medical services, and cemetery maintenance. The Township contracts with the Clark County Sheriff's office for police services.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township does not have any component units.

**C. Public Entity Risk Pool**

The Township participated in the Ohio Township Association Risk Management Authority (OTARMA) from January 1, 2010 through December 14, 2011. The Township started participation in the Ohio Plan on December 15, 2011. OTARMA and the Ohio Plan are risk-sharing pools available to Ohio townships. Note 7 to the financial statements provides additional information for these entities.

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(CONTINUED)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

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

**2. 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

**1. Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental funds:

**General Fund** – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Gasoline Tax Fund** - This fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

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

**Fire District Fund** - This fund receives property tax monies for the operation of the fire department.

**Ambulance and Emergency Medical Services Fund** - This fund receives monies from billings for services and is utilized for the operation of EMS services.

**Fire Station Bond Retirement Fund (2011)** – This fund accounts for and reports resources for the retirement of debt issued to finance the new fire building.

**OPWC Project Fund (2010)** - The public works commission project fund accounts for and reports State OPWC grant money restricted for the purpose of improving Township infrastructure.

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

**2. Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has a private purpose trust fund to account for a trust fund established for the perpetual care of a lot and stone in the Township's Donnelsville Cemetery.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

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

**E. Cash and Investments**

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

Investments 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.



**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, respectively.

During 2011 and 2010, the Township invested in STAR Ohio.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2011 and 2010.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2011 and 2010 were \$14,585 and \$27,037 respectively.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. 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.

**K. Employer Contributions to Cost-Sharing Pension Plans**

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Long-Term Obligations**

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

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

**N. Fund Balance Reserves (2010)**

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

**O. Fund Balance (2011)**

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

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

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

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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.

**P. Interfund Transactions**

Transfers and advances between governmental activities on the government-wide financial statements are 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.

**3. 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 fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (2010) or restricted, committed, or assigned fund balance (2011) (cash basis). The encumbrances outstanding at December 31, 2011 (budgetary basis) amounted to \$6,680 for the Gasoline Tax Fund and \$21,900 for the Fire District Fund. The encumbrances outstanding at December 31, 2010 (budgetary basis) amounted to \$750 for the General Fund, \$1,187 for the Road and Bridge Fund, \$149 for the Fire District Fund, and \$64 for the Ambulance and Emergency Medical Services Fund.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. DEPOSITS AND INVESTMENTS**

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2011, \$1,796,931 of the Township's bank balance of \$2,046,931 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution, but not in the Township's name. At December 31, 2010, \$1,904,670 of the Township's bank balance of \$2,154,670 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution, but not in the Township's name.

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

**B. Investments**

The Township's only investment at December 31, 2011 and 2010 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 fair value of \$21,067 at December 31, 2011 and \$21,055 at December 31, 2010 and was rated AAAM by Standard and Poors. 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.

**5. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. PROPERTY TAXES (Continued)**

The full tax rate for all Township operations for the year ended December 31, 2011, was \$72.13 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property, and tangible personal property upon which 2011 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential/Agriculture	\$166,087,748
Commercial/Industrial	19,350,110
Public Utility Tangible Property	4,764,800
Tangible Personal Property	184,830
Total	\$190,387,488

The full tax rate for all Township operations for the year ended December 31, 2010, was \$70.52 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential/Agriculture	\$168,152,015
Commercial/Industrial	19,405,570
Public Utility Tangible Property	4,538,110
Tangible Personal Property	191,880
Total	\$192,287,575

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.

**6. DEBT**

The Township's long-term debt activity for the years ended December 31, 2010 and 2011, was as follows:

	<b>Interest Rate</b>	<b>Balance 12/31/2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2011</b>	<b>Due in One Year</b>
<b>Governmental Activities:</b>						
Fire Station Bonds, 2009 Issue (\$1,200,000)	3.50%	\$1,043,137	\$156,863	(\$464,825)	\$735,175	\$87,101

The Township issued Fire Station Bonds on July 6, 2009 for constructing and equipping a new fire station.

The Fire Station Bonds are supported by the full faith and credit of the Township and are payable from un-voted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

By December 31, 2010, the Township received the total debt of \$1,200,000 issued for the project. Upon completion of the project in 2010, the bonds were converted to payments of principal and interest.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**6. DEBT (Continued)**

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

<u>Year Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 59,624	\$ 27,476
2013	63,128	23,973
2014	65,368	21,733
2015	67,688	19,413
2016	70,090	17,011
2017-2021	389,570	45,933
2022	19,707	699
Total	<u>\$735,175</u>	<u>\$156,238</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

**7. RISK MANAGEMENT**

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

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

**A. OTARMA**

The Township belonged to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships from January 1, 2010 through December 14, 2011. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

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

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Financial Position**

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available):

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

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011 and 2010, the Township's share of these unpaid claims collectible in future years is approximately \$0 and \$23,280, respectively.

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

<b>Contributions to OTARMA</b>	
<b>2010-2011</b>	<b>2009-2010</b>
\$31,040	\$26,653

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

**B. The Ohio Plan**

On December 15, 2011, the Township changed its membership from OTARMA to the Ohio Plan.

Prior to 2009, the Ohio Government Risk Management Plan (the "Plan") was 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 was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:



**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

- **Ohio Plan Risk Management, Inc. (OPRM)** - formerly known as the Ohio Risk Management Plan;
- **Ohio Plan Healthcare Consortium, Inc. (OPHC)** - formerly known as the Ohio Healthcare Consortium; and
- **Ohio Plan, Inc.** - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

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. These coverage programs, referred to as Ohio Plan Risk management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Township participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of-pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Township does not participate in this coverage.

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

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

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC:

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members' Equity	\$ 7,191,485	\$ 300,035	\$6,323,701	\$105,185

You can read the complete audited financial statements for OPRM and OPHC at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN**

**A. Ohio Public Employees Retirement System**

**Plan Description** – The Township participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions. For the years ended December 31, 2011 and 2010, members in the state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2011 and 2010, member and employer contribution rates were consistent across all three plans.

The Township's 2011 and 2010 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care in 2011 was 4 percent. The health care portion for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011 and 2010 were \$38,291 and \$35,469, respectively. 100 percent has been contributed for 2011 and 2010.

**B. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose social security or the appropriate state system. All of the Township's part-time/volunteer firefighters are covered by Social Security and pay FICA taxes.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**8. DEFINED BENEFIT PENSION PLAN (Continued)**

FICA contribution rates are approved by the United States Congress. Members of FICA contributed 6.2% in 2010 and 4.2% in 2011 of their wages to FICA. The Township contributed an amount equal to 6.2% of their wages in both 2010 and 2011. The Township has paid all contributions required through December 31, 2011.

**9. POST – EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

**Plan Description** – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care benefits was 4 percent for 2011. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**9. POST – EMPLOYMENT BENEFITS (Continued)**

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

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011 and 2010 were \$1,532 and \$1,773, respectively. All contributions have been paid from 2011 and 2010.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**10. INTERFUND TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES (ADVANCES)**

During 2011, the Fire District Fund transferred \$192,775 and the Ambulance and Emergency Medical Services Fund transferred \$92,775 to the Fire Station Bond Retirement Fund Road to make debt payments. During 2010, the General Fund transferred \$40,000 to the Police Fund to provide additional resources for protection services. In addition, during 2010, the Fire District and Ambulance and Emergency Medical Services Funds each transferred \$97,160, for a total of \$194,320 to the Fire Station Bond Retirement Fund for debt payments.

Interfund balances at December 31, 2011, consisted of \$18,000 owed by the FEMA Flood Mitigation Special Revenue Fund to the General Fund. The balance due to the General Fund represents loans made to provide working capital for projects. This amount is expected to be repaid within one year.

**11. CHANGE IN ACCOUNTING PRINCIPLE**

For 2011, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the Township.

**12. FUND BALANCES**

For 2011, 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:

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010  
(Continued)**

**12. FUND BALANCES (Continued)**

<u>Fund Balances</u>	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance &amp; Emergency Medical Svcs</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Non-spendable:</b>							
Cemetery Endowment						\$ 200	\$ 200
Total Non-spendable						200	200
<b>Restricted for:</b>							
Road and Bridge Maintenance		\$274,101				143,448	417,549
Fire Operations				\$374,849			374,849
Emergency Medical Services					\$306,582		306,582
Flood Mitigation						18,871	18,871
Lighting District						185,441	185,441
Police Operations						53,826	53,826
Cemetery						76,652	76,652
Total Restricted		274,101		374,849	306,582	478,238	1,433,770
<b>Committed to:</b>							
Road and Bridge Maintenance			\$101,692				101,692
Unassigned (Deficit)	\$487,178						487,178
Total Fund Balances	\$487,178	\$274,101	\$101,692	\$374,849	\$306,582	\$478,438	\$2,022,840

**13. 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.

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# Dave Yost • Auditor of State

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

Bethel Township  
Clark County  
3333 Lake Road  
Medway, Ohio 45341

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, (the Township) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 18, 2012, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township adopted Governmental Accounting Standards Board Statement No. 54 for the year ended December 31, 2011. In addition, we also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402  
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

[www.ohioauditor.gov](http://www.ohioauditor.gov)

### 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 18, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

June 18, 2012



**BETHEL TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

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

**FINDING NUMBER 2011-001**

**Noncompliance – Finding For Recovery – Repaid Under Audit**

**Ohio Rev. Code Section 5735.27(A)** creates the gasoline excise tax fund in the state treasury.

**Ohio Rev. Code Section 5735.27(A)(5)(a)** states the amount credited pursuant to division (D) of section 5735.26 and division (C)(2)(b) of section 5735.23 of the Revised Code shall be divided in equal proportions among the townships within the state. **Ohio Rev. Code Sections 5735.26(D)** and **5735.23(C)(2)(b)** permit seventeen and one-half percent and five percent, respectively, to the gasoline excise tax fund for townships distribution.

**Ohio Rev. Code Section 5735.27(A)(5)(b)** states beginning on August 15, 2003, the tax levied by section 5735.29 of the Revised Code shall be partially allocated to provide funding for townships. Each township shall receive the greater of the following two calculations:

- (i) The total statewide amount credited to townships under division (A) of section 5735.291 of the Revised Code divided by the number of townships in the state at the time of the calculation;
- (ii) Seventy per cent of the formula amount for that township.

**Ohio Rev. Code Section 5735.27(A)(5)(d)** states all amounts credited pursuant to divisions (A)(5)(a) and (b) of this section shall be paid to the county treasurer of each county for the total amount payable to the townships within each of the counties. The county treasurer shall pay to each township within the county its proportional share of the funds, which shall be expended by each township only for the purposes of planning, constructing, maintaining, widening, and reconstructing the public roads and highways within the township, paying principal, interest, and charges on obligations incurred pursuant to section 5531.09 of the Revised Code, and paying costs apportioned to the township under section 4907.47 of the Revised Code.

In November 2011, the Clark County Auditor remitted German Township's gas tax distribution to Bethel Township in the amount of \$5,388. In December 2011, the Fiscal Officer for Bethel Township inadvertently deposited the check in the Bethel Township bank account.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Melanie Cochran, Bethel Township Fiscal Officer, in the amount of \$5,388, and in favor of the Clark County German Township Agency Fund, in the amount of \$5,388. The Finding has been repaid as evidenced by Bethel Township check number 55163 dated 5/29/2012 and Clark County Auditor receipt number 95816 dated 5/31/2012.

**Officials' Response:**

We did not receive a response from officials for this finding.

BETHEL TOWNSHIP  
CLARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	ORC 5705.41(D) – Failure to properly encumber	Yes	



# Dave Yost • Auditor of State

**BETHEL TOWNSHIP**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 17, 2012**