



Mary Taylor, CPA  
Auditor of State



**BATH TOWNSHIP  
GREENE COUNTY**

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GREENE COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Bath Township  
Greene County  
1006 Yellow Springs Fairfield Road  
Fairborn, Ohio 45324

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 Bath Township, Greene County, Ohio (the Township), as of and for the years ended December 31 2008 and 2007, 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(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bath Township, Greene County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Cemetery and Fire Levy funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 11, 2009

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

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

**Highlights**

Key highlights for 2008 are as follows:

Receipts from the 3.0 mill fire levy began in 2008. Net assets of governmental activities increased \$271,190 or 19 percent. The new Fire Levy accounts for a major portion of this increase.

Property taxes represent 73 percent of general receipts and 49 percent of total receipts. Property tax receipts for 2008 increased \$168,531, or 20 percent, from the prior year.

Installation of the second 96 crypt, 24 niche mausoleum was completed in September.

The Board of Trustees established two capital project funds for the accumulation of monies to replace dump trucks in 2013 and 2017.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**Basis of Accounting**

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

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

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, 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 requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, 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.

**Governmental activities** - The Township's basic services are reported here, including fire, roads, cemeteries, and park. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

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

**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 nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Cemetery Fund, and the Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$1,718,803	\$1,447,613
Total Assets	<u>1,718,803</u>	<u>1,447,613</u>
<b>Net Assets</b>		
Restricted for:		
Capital Projects	29,000	
Permanent: For improvements		
Expendable	500	464
Non Expendable	500	500
Other Purposes	981,212	749,361
Unrestricted	<u>707,591</u>	<u>697,288</u>
Total Net Assets	<u>\$1,718,803</u>	<u>\$1,447,613</u>

Net assets of governmental activities increased \$271,190 or 19 percent during 2008. The new Fire Levy accounts for a major portion of this increase.

Table 2 reflects the changes in net assets on a cash basis in 2008 and 2007 for governmental activities.

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

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$ 346,597	\$263,865
Operating Grants and Contributions	<u>322,209</u>	<u>258,701</u>
Total Program Receipts	<u>668,806</u>	<u>522,566</u>
<b>General Receipts:</b>		
Property Taxes	1,019,127	850,596
Grants and Entitlements Not Restricted to Specific Programs	314,457	220,966
Interest	41,099	53,003
Other	<u>21,842</u>	<u>16,074</u>
Total General Receipts	<u>1,396,525</u>	<u>1,140,639</u>
Total Receipts	<u>2,065,331</u>	<u>1,663,205</u>

(Continued)

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

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

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
<b>Disbursements:</b>		
General Government	222,582	217,325
Public Safety	641,543	640,141
Public Works	479,902	460,376
Health	265,519	255,098
Human Services	4,000	4,000
Conservation-Recreation	32,246	29,471
Capital Outlay	148,349	23,831
Total Disbursements	<u>1,794,141</u>	<u>1,630,242</u>
Increase (Decrease) in Net Assets	271,190	32,963
Net Assets, January 1	1,447,613	1,414,650
Net Assets, December 31	<u>\$1,718,803</u>	<u>\$1,447,613</u>

Program receipts represent 32.4 percent of total receipts—16.8 percent of which is Charges for Services and Sales for cemetery sales and services, zoning fees, and community room rental. The remaining 15.6 percent is primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

Program receipts for charges for cemetery sales and services increased \$82,732, 31 percent. A price increase went into effect March 1, 2008. While there was a slight increase in the number of lot sales and burials, there was an increase in the number of foundations sold.

General receipts represent 67.6 percent of the Township's total receipts. Property taxes represent 73 percent of general receipts and 49 percent of total receipts. State grants and entitlements make up 23 percent of the Township's general receipts. Other receipts include interest, cable franchise fees, sale of fixed assets and miscellaneous receipts that are insignificant 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 the Board of Trustees, the Fiscal Officer, office staff and supplies, townhall maintenance, and zoning boards and inspection. These costs remain fairly constant and represent approximately 12 percent of total disbursements.

Public Safety includes the cost of fire protection and EMS. Disbursements for Public Safety represent 36 percent of total disbursements. Public Works, the cost of maintaining the roads, represents 27 percent of disbursements.

Health includes disbursements to the County Health Department and cemetery operations and represents 15 percent of disbursements. Conservation-Recreation is the cost of maintaining the park. Capital Outlay includes the installation of a mausoleum costing \$140,541.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**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 for Public Safety and Public Works—accounting for approximately 36 and 27 percent, respectively, of all governmental disbursements. General Government also represents a significant cost, about 12 percent. The next two columns of the Statement of Activities entitled Program Cash Receipts identify amounts paid by people who are directly charged for the services and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3 below.

**(Table 3)**

<b>Governmental Activities</b>				
	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2008</b>	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>
General Government	\$ 222,582	(\$217,765)	\$ 217,325	(\$214,463)
Public Safety	641,543	(491,351)	640,141	(545,196)
Public Works	479,902	(307,885)	460,376	(296,662)
Health	265,519	65,386	255,098	(3,103)
Human Services	4,000	(4,000)	4,000	(4,000)
Conservation-Recreation	32,246	(32,246)	29,471	(29,471)
Other		10,875		9,050
Capital Outlay	148,349	(148,349)	23,831	(23,831)
<b>Total Expenses</b>	<b>\$1,794,141</b>	<b>(\$1,125,335)</b>	<b>\$1,630,242</b>	<b>(\$1,107,676)</b>

The dependence upon property tax receipts is apparent as almost 63 percent of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$2,065,331 and disbursements of \$1,794,141. The most significant change was in the Fire Levy Fund. The increase of \$116,185 in the fund was mainly due to the new additional 3.0 mill five levy.

**General Fund Budgeting Highlights**

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

During 2008, total budgeted receipts and total actual receipts were very close. While interest and local government receipts were less than anticipated, estate taxes and cable franchise fees were more.

Final disbursements and transfers were budgeted at \$762,050 while actual disbursements and transfers were \$639,919. Not all anticipated expenditures occurred and purchases of capital items were postponed.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure for the purposes of financial reports. However, an inventory listing is maintained on the Uniform Accounting Network program.

**Current Issues**

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes. Both fire levies expire this year with 2010 being the last year for receipts. The Board of Trustees plans to place a single replacement levy on the ballot in November 2009 and not seek renewal of the 10.7 and 3.0 mill levies.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Elaine M. Brown, Fiscal Officer, Bath Township, 1006 Yellow Springs-Fairfield Road, Fairborn, Ohio 45324.

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2008**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,718,803
Total Assets	<u>1,718,803</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Capital Projects	29,000
Expendable	500
Nonexpendable	500
Other Purposes	981,212
Unrestricted	707,591
Total Net Assets	<u>\$1,718,803</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<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>Total</u>
<b>Governmental Activities</b>				
General Government	\$222,582	\$4,817		(\$217,765)
Public Safety	641,543		\$150,192	(491,351)
Public Works	479,902		172,017	(307,885)
Health	265,519	330,905		65,386
Human Services	4,000			(4,000)
Conservation-Recreation	32,246			(32,246)
Other		10,875		10,875
Capital Outlay	148,349			(148,349)
<b>Total Governmental Activities</b>	<u>\$1,794,141</u>	<u>\$346,597</u>	<u>\$322,209</u>	<u>(1,125,335)</u>
<b>General Receipts</b>				
Property Taxes				1,019,127
Grants and Entitlements not Restricted to Specific Programs				314,457
Sale of Fixed Assets				690
Cable Franchise Fees				19,566
Earnings on Investments				41,099
Miscellaneous				1,586
<b>Total General Receipts</b>				<u>1,396,525</u>
Change in Net Assets				271,190
Net Assets Beginning of Year				<u>1,447,613</u>
Net Assets End of Year				<u>\$1,718,803</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$707,591	\$136,259	\$99,148	\$400,914	\$374,891	\$1,718,803
Total Assets	<u>707,591</u>	<u>136,259</u>	<u>99,148</u>	<u>400,914</u>	<u>374,891</u>	<u>1,718,803</u>
<b>Fund Balances</b>						
<b>Reserved:</b>						
Reserved for Encumbrances	61,732	8,699	4,202			74,633
<b>Unreserved:</b>						
<b>Undesignated (Deficit), Reported in:</b>						
General Fund	645,859					645,859
Special Revenue Funds		127,560	94,946	400,914	344,891	968,311
Capital Projects Funds					29,000	29,000
Permanent Fund					1,000	1,000
Total Fund Balances	<u>\$707,591</u>	<u>\$136,259</u>	<u>\$99,148</u>	<u>\$400,914</u>	<u>\$374,891</u>	<u>\$1,718,803</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>						
Property and Other Local Taxes	\$202,208	\$210,225		\$606,694		\$1,019,127
Licenses, Permits and Fees	24,383		\$206,847		\$22,983	254,213
Intergovernmental	306,884	56,984		150,192	122,606	636,666
Earnings on Investments	38,960				2,139	41,099
Miscellaneous	11,949	325	91,155		10,107	113,536
Total Receipts	<u>584,384</u>	<u>267,534</u>	<u>298,002</u>	<u>756,886</u>	<u>157,835</u>	<u>2,064,641</u>
<b>Disbursements</b>						
<b>Current:</b>						
General Government	222,582					222,582
Public Safety	842			640,701		641,543
Public Works	118,735	278,474			82,693	479,902
Health	21,471		244,048			265,519
Human Services	4,000					4,000
Conservation-Recreation	32,246					32,246
Capital Outlay	140,654		7,695			148,349
Total Disbursements	<u>540,530</u>	<u>278,474</u>	<u>251,743</u>	<u>640,701</u>	<u>82,693</u>	<u>1,794,141</u>
Excess of Receipts Over (Under) Disbursements	43,854	(10,940)	46,259	116,185	75,142	270,500
<b>Other Financing Sources (Uses)</b>						
Sale of Fixed Assets	690					690
Transfers In	3,116	1,436			40,377	44,929
Transfers Out	(37,357)				(7,572)	(44,929)
Total Other Financing Sources (Uses)	<u>(33,551)</u>	<u>1,436</u>			<u>32,805</u>	<u>690</u>
Net Change in Fund Balances	10,303	(9,504)	46,259	116,185	107,947	271,190
Fund Balances Beginning of Year	<u>697,288</u>	<u>145,763</u>	<u>52,889</u>	<u>284,729</u>	<u>266,944</u>	<u>1,447,613</u>
Fund Balances End of Year	<u>\$707,591</u>	<u>\$136,259</u>	<u>\$99,148</u>	<u>\$400,914</u>	<u>\$374,891</u>	<u>\$1,718,803</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$193,750	\$202,350	\$202,208	(\$142)
Licenses, Permits and Fees	17,000	17,000	24,383	7,383
Intergovernmental	304,070	304,070	306,884	2,814
Earnings on Investments	50,000	50,000	38,960	(11,040)
Miscellaneous	12,000	12,000	11,949	(51)
Total Receipts	<u>576,820</u>	<u>585,420</u>	<u>584,384</u>	<u>(1,036)</u>
<b>Disbursements</b>				
Current:				
General Government	252,235	260,807	232,213	28,594
Public Safety	2,000	2,000	842	1,158
Public Works	134,250	144,028	118,782	25,246
Health	23,500	23,500	21,471	2,029
Human Services	4,000	4,000	4,000	
Conservation-Recreation	37,065	38,999	32,731	6,268
Capital Outlay	270,000	249,716	192,223	57,493
Total Disbursements	<u>723,050</u>	<u>723,050</u>	<u>602,262</u>	<u>120,788</u>
Excess of Receipts Over (Under) Disbursements	<u>(146,230)</u>	<u>(137,630)</u>	<u>(17,878)</u>	<u>119,752</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets			690	690
Transfers In			3,116	3,116
Transfers Out	(39,000)	(39,000)	(37,357)	1,643
Total Other Financing Sources (Uses)	<u>(39,000)</u>	<u>(39,000)</u>	<u>(33,551)</u>	<u>5,449</u>
Net Change in Fund Balance	(185,230)	(176,630)	(51,429)	125,201
Unencumbered Cash Balance Beginning of Year	688,496	688,496	688,496	
Prior Year Encumbrances Appropriated	8,792	8,792	8,792	
Fund Balance End of Year	<u>\$512,058</u>	<u>\$520,658</u>	<u>\$645,859</u>	<u>\$125,201</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE 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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$192,250	\$209,450	\$210,225	\$775
Intergovernmental	57,758	57,758	56,984	(774)
Miscellaneous			325	325
Total Receipts	<u>250,008</u>	<u>267,208</u>	<u>267,534</u>	<u>326</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	293,210	293,210	286,562	6,648
Capital Outlay	611	611	611	
Total Disbursements	<u>293,821</u>	<u>293,821</u>	<u>287,173</u>	<u>6,648</u>
Excess of Receipts Over (Under) Disbursements	<u>(43,813)</u>	<u>(26,613)</u>	<u>(19,639)</u>	<u>6,974</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In			1,436	1,436
Total Other Financing Sources (Uses)			<u>1,436</u>	<u>1,436</u>
Net Change in Fund Balance	(43,813)	(26,613)	(18,203)	8,410
Unencumbered Cash Balance Beginning of Year	142,835	142,835	142,835	
Prior Year Encumbrances Appropriated	<u>2,928</u>	<u>2,928</u>	<u>2,928</u>	
Fund Balance End of Year	<u><u>\$101,950</u></u>	<u><u>\$119,150</u></u>	<u><u>\$127,560</u></u>	<u><u>\$8,410</u></u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
CEMETERY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Licenses, Permits and Fees	\$150,660	\$150,660	\$206,847	\$56,187
Miscellaneous	74,340	74,340	91,155	16,815
Total Receipts	<u>225,000</u>	<u>225,000</u>	<u>298,002</u>	<u>73,002</u>
<b>Disbursements</b>				
<b>Current:</b>				
Health	259,422	259,422	248,250	11,172
Capital Outlay	10,000	10,000	7,695	2,305
Total Disbursements	<u>269,422</u>	<u>269,422</u>	<u>255,945</u>	<u>13,477</u>
Excess of Receipts Over (Under) Disbursements	<u>(44,422)</u>	<u>(44,422)</u>	<u>42,057</u>	<u>86,479</u>
Unencumbered Cash Balance Beginning of Year	48,597	48,597	48,597	
Prior Year Encumbrances Appropriated	<u>4,292</u>	<u>4,292</u>	<u>4,292</u>	
Fund Balance End of Year	<u><u>\$8,467</u></u>	<u><u>\$8,467</u></u>	<u><u>\$94,946</u></u>	<u><u>\$86,479</u></u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			<b>(Optional) Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$536,000	\$599,390	\$606,694	\$7,304
Intergovernmental	157,498	157,498	150,192	(7,306)
Total Receipts	<u>693,498</u>	<u>756,888</u>	<u>756,886</u>	<u>(2)</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	<u>650,600</u>	<u>650,600</u>	<u>640,701</u>	<u>9,899</u>
Total Disbursements	<u>650,600</u>	<u>650,600</u>	<u>640,701</u>	<u>9,899</u>
Excess of Receipts Over (Under) Disbursements	<u>42,898</u>	<u>106,288</u>	<u>116,185</u>	<u>9,897</u>
Unencumbered Cash Balance Beginning of Year	<u>284,729</u>	<u>284,729</u>	<u>284,729</u>	
Fund Balance End of Year	<u><u>\$327,627</u></u>	<u><u>\$391,017</u></u>	<u><u>\$400,914</u></u>	<u><u>\$9,897</u></u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)**

This discussion and analysis of Bath Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007, 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 2007 are as follows:

- The Fire Levy Fund had a significant decrease of \$137,957. However, a 3.0 mill three-year fire levy passed on May 8, 2007. Receipts from this levy will begin in 2008.
- Net assets of governmental activities increased 2 percent, \$32,963, an insignificant change from the prior year.
- Property taxes accounted for 51 percent of the Township's total receipts (program and general) and 75 percent of the general receipts for Governmental Activities for the year. Property tax receipts for 2007 increased \$18,579, or 2 percent, from the prior year.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**Basis of Accounting**

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

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

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)  
(Continued)**

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2007, 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 one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, 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.

**Governmental activities** - The Township's basic services are reported here, including fire, roads, cemeteries, and park. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

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

**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 and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Cemetery Fund, and the Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)  
(Continued)**

**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 on a cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$1,447,613	\$1,414,650
Total Assets	<u>1,447,613</u>	<u>1,414,650</u>
<b>Net Assets</b>		
Restricted for:		
Permanent: For improvements		
Expendable	464	422
Non Expendable	500	500
Other Purposes	749,361	828,548
Unrestricted	<u>697,288</u>	<u>585,180</u>
Total Net Assets	<u>\$1,447,613</u>	<u>\$1,414,650</u>

Net assets of governmental activities increased \$32,963 or 2 percent during 2007. The decrease in net assets for Restricted Other Purposes reflects the increased cost of the Fire Contract. Additional receipts from the new Fire Levy will not start until 2008.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities

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

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
<b>Receipts:</b>		
<b>Program Receipts:</b>		
Charges for Services and Sales	\$ 263,865	\$ 290,916
Operating Grants and Contributions	258,701	226,628
Total Program Receipts	<u>522,566</u>	<u>517,544</u>
<b>General Receipts:</b>		
Property Taxes	850,596	832,017
Grants and Entitlements Not Restricted to Specific Programs	220,966	221,710
Interest	53,003	59,974
Other	16,074	11,019
Total General Receipts	<u>1,140,639</u>	<u>1,124,720</u>
Total Receipts	<u>1,663,205</u>	<u>1,642,264</u>

(Continued)

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)  
(Continued)**

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

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
<b>Disbursements:</b>		
General Government	217,325	213,952
Public Safety	640,141	441,266
Public Works	460,376	440,399
Health	255,098	254,151
Human Services	4,000	3,500
Conservation-Recreation	29,471	28,464
Capital Outlay	23,831	22,083
Total Disbursements	<u>1,630,242</u>	<u>1,403,815</u>
Increase (Decrease) in Net Assets	32,963	238,449
Net Assets, January 1	1,414,650	1,176,201
Net Assets, December 31	<u>\$1,447,613</u>	<u>\$1,414,650</u>

Program receipts represent 31.4 percent of total receipts—15.9 percent of which is Charges for Services and Sales for cemetery sales and services, zoning fees, and community room rental. The remaining 15.5 percent is primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 68.6 percent of the Township's total receipts. Property taxes represent 75 percent of general receipts and 51 percent of total receipts. State grants and entitlements make up 19 percent of the Township's general receipts. Other receipts include cable franchise fees and miscellaneous receipts that are an insignificant 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 the Board of Trustees, the Fiscal Officer, office staff and supplies, townhall maintenance, and zoning boards and inspection. These costs remain fairly constant and represent approximately 13 percent of total disbursements.

Public Safety includes the cost of fire protection and EMS. Disbursements for Public Safety represent 39 percent of total disbursements as compared in 31 percent in 2006. A new five-year Fire Contract with the City of Fairborn went into effect in 2007.

Public Works, the cost of maintaining the roads, represents 28 percent of disbursements. Health includes disbursements to the County Health Department and cemetery operations and represents 16 percent of disbursements. Conservation-Recreation is the cost of maintaining the park.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)  
(Continued)**

**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 for Public Safety and Public Works—accounting for approximately 39 and 28 percent, respectively, of all governmental disbursements. General Government also represents a significant cost, about 13 percent. The next two columns of the Statement of Activities entitled Program Cash Receipts identify amounts paid by people who are directly charged for the services and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3 below.

**(Table 3)**

<b>Governmental Activities</b>				
	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>	<b>Total Cost of Services 2006</b>	<b>Net Cost of Services 2006</b>
General Government	\$ 217,325	(\$ 214,463)	\$ 213,952	(\$ 196,629)
Public Safety	640,141	(545,196)	441,266	(366,889)
Public Works	460,376	(296,662)	440,399	(288,148)
Health	255,098	(3,103)	254,151	9,092
Human Services	4,000	(4,000)	3,500	(3,500)
Conservation-Recreation	29,471	(29,471)	28,464	(28,464)
Other		9,050		10,350
Capital Outlay	23,831	(23,831)	22,083	(22,083)
Total Expenses	<u>\$1,630,242</u>	<u>(\$1,107,676)</u>	<u>\$1,403,815</u>	<u>(\$886,271)</u>

The dependence upon property tax receipts is apparent as almost 68 percent of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$1,663,205 and disbursements of \$1,630,242. There were two governmental funds with significant changes. The fund balance of the General Fund increased \$112,108. In 2006 there was an increase in fund balance of \$141,490. The 2007 General Fund receipts decreased less than 2 percent and disbursements increased slightly more than 2 percent. The fund balance of the Fire Levy Fund decreased \$137,957, a result of the increase cost of the new Fire Contract.

**General Fund Budgeting Highlights**

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

During 2007, property tax receipts in the General Fund exceeded the Budget Commissions' Amended Official Certificate of Estimated Resources. Property tax receipts did not drop and interest receipts were higher than anticipated.

Final disbursements were budgeted at \$575,697 while actual disbursements were \$420,408. Not all anticipated expenditures occurred and purchases of capital items were postponed.

**BATH TOWNSHIP  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(UNAUDITED)  
(Continued)**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure for the purposes of financial reports. However, an inventory listing is maintained on the Uniform Accounting Network program.

**Current Issues**

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited and, in some cases, shrinking funding. We rely heavily on property taxes. The Fire Levy Fund had a significant decrease of \$137,957. However, a 3.0 mill three-year fire levy was passed on May 8, 2007. Additional receipts will begin in 2008.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Elaine M. Brown, Fiscal Officer, Bath Township, 1006 Yellow Springs-Fairfield Road, Fairborn, Ohio 45324.

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007**

	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,447,613
Total Assets	1,447,613
 <b>Net Assets</b>	
<b>Restricted for:</b>	
Expendable	464
Nonexpendable	500
Other Purposes	749,361
Unrestricted	697,288
Total Net Assets	\$1,447,613

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total
<b>Governmental Activities</b>				
General Government	\$217,325	\$2,862		(\$214,463)
Public Safety	640,141		\$94,945	(545,196)
Public Works	460,376		163,714	(296,662)
Health	255,098	251,953	42	(3,103)
Human Services	4,000			(4,000)
Conservation-Recreation	29,471			(29,471)
Other		9,050		9,050
Capital Outlay	23,831			(23,831)
<b>Total Governmental Activities</b>	<b>\$1,630,242</b>	<b>\$263,865</b>	<b>\$258,701</b>	<b>(1,107,676)</b>
<b>General Receipts</b>				
Property Taxes				850,596
Grants and Entitlements not Restricted to Specific Programs				220,966
Cable Franchise Fees				15,010
Earnings on Investments				53,003
Miscellaneous				1,064
<b>Total General Receipts</b>				<b>1,140,639</b>
Change in Net Assets				32,963
Net Assets Beginning of Year				1,414,650
Net Assets End of Year				<b>\$1,447,613</b>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$697,288	\$145,763	\$52,889	\$284,729	\$266,944	\$1,447,613
Total Assets	<u>697,288</u>	<u>145,763</u>	<u>52,889</u>	<u>284,729</u>	<u>266,944</u>	<u>1,447,613</u>
<b>Fund Balances</b>						
<b>Reserved:</b>						
Reserved for Encumbrances	8,792	2,928	4,292		24,000	40,012
<b>Unreserved:</b>						
<b>Undesignated (Deficit), Reported in:</b>						
General Fund	688,496					688,496
Special Revenue Funds		142,835	48,597	284,729	241,980	718,141
Permanent Fund					964	964
Total Fund Balances	<u>\$697,288</u>	<u>\$145,763</u>	<u>\$52,889</u>	<u>\$284,729</u>	<u>\$266,944</u>	<u>\$1,447,613</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receipts</b>						
Property and Other Local Taxes	\$212,378	\$232,116		\$406,102		\$850,596
Licenses, Permits and Fees	17,872		151,765		16,863	186,500
Intergovernmental	220,966	46,712		94,945	114,822	477,445
Earnings on Investments	53,003				2,222	55,225
Miscellaneous	9,505		75,601		8,333	93,439
Total Receipts	<u>513,724</u>	<u>278,828</u>	<u>227,366</u>	<u>501,047</u>	<u>142,240</u>	<u>1,663,205</u>
<b>Disbursements</b>						
<b>Current:</b>						
General Government	217,325					217,325
Public Safety	1,137			639,004		640,141
Public Works	96,762	266,813			96,801	460,376
Health	21,484		233,614			255,098
Human Services	4,000					4,000
Conservation-Recreation	29,471					29,471
Capital Outlay	23,437		394			23,831
Total Disbursements	<u>393,616</u>	<u>266,813</u>	<u>234,008</u>	<u>639,004</u>	<u>96,801</u>	<u>1,630,242</u>
Excess of Receipts Over (Under) Disbursements	120,108	12,015	(6,642)	(137,957)	45,439	32,963
<b>Other Financing Sources (Uses)</b>						
Transfers In					8,000	8,000
Transfers Out	(8,000)					(8,000)
Advances In	10,000	10,000				20,000
Advances Out	(10,000)	(10,000)				(20,000)
Total Other Financing Sources (Uses)	<u>(8,000)</u>				<u>8,000</u>	
Net Change in Fund Balances	112,108	12,015	(6,642)	(137,957)	53,439	32,963
Fund Balances Beginning of Year	<u>585,180</u>	<u>133,748</u>	<u>59,531</u>	<u>422,686</u>	<u>213,505</u>	<u>1,414,650</u>
Fund Balances End of Year	<u>\$697,288</u>	<u>\$145,763</u>	<u>\$52,889</u>	<u>\$284,729</u>	<u>\$266,944</u>	<u>\$1,447,613</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$176,000	\$176,000	\$212,378	\$36,378
Licenses, Permits and Fees	17,000	17,000	17,872	872
Intergovernmental	218,484	218,484	220,966	2,482
Earnings on Investments	45,000	45,000	53,003	8,003
Miscellaneous	9,500	9,500	9,505	5
Total Receipts	<u>465,984</u>	<u>465,984</u>	<u>513,724</u>	<u>47,740</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	259,635	260,185	221,517	38,668
Public Safety	1,960	1,960	1,137	823
Public Works	120,440	132,240	100,418	31,822
Health	24,500	24,500	21,484	3,016
Human Services	4,000	4,000	4,000	
Conservation-Recreation	39,662	38,312	30,415	7,897
Capital Outlay	126,000	114,500	23,437	91,063
Total Disbursements	<u>576,197</u>	<u>575,697</u>	<u>402,408</u>	<u>173,289</u>
Excess of Receipts Over (Under) Disbursements	<u>(110,213)</u>	<u>(109,713)</u>	111,316	<u>221,029</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(7,500)	(8,000)	(8,000)	
Advances In			10,000	10,000
Advances Out			(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>(7,500)</u>	<u>(8,000)</u>	<u>(8,000)</u>	
Net Change in Fund Balance	(117,713)	(117,713)	103,316	221,029
Unencumbered Cash Balance Beginning of Year	573,893	573,893	573,893	
Prior Year Encumbrances Appropriated	<u>11,287</u>	<u>11,287</u>	<u>11,287</u>	
Fund Balance End of Year	<u>\$467,467</u>	<u>\$467,467</u>	<u>\$688,496</u>	<u>\$221,029</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP  
GREENE 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, 2007**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$178,000	\$178,000	\$232,116	\$54,116
Intergovernmental	39,828	39,828	46,712	6,884
Total Receipts	<u>217,828</u>	<u>217,828</u>	<u>278,828</u>	<u>61,000</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	266,431	271,431	269,130	2,301
Capital Outlay	5,611	611	611	
Total Disbursements	<u>272,042</u>	<u>272,042</u>	<u>269,741</u>	<u>2,301</u>
Excess of Receipts Over (Under) Disbursements	<u>(54,214)</u>	<u>(54,214)</u>	<u>9,087</u>	<u>63,301</u>
<b>Other Financing Sources (Uses)</b>				
Advances In			10,000	10,000
Advances Out			(10,000)	(10,000)
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(54,214)	(54,214)	9,087	63,301
Unencumbered Cash Balance Beginning of Year	133,137	133,137	133,137	
Prior Year Encumbrances Appropriated	611	611	611	
Fund Balance End of Year	<u>\$79,534</u>	<u>\$79,534</u>	<u>\$142,835</u>	<u>\$63,301</u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
CEMETERY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Licenses, Permits and Fees	\$182,900	\$182,900	\$151,765	(\$31,135)
Miscellaneous	78,100	78,100	75,601	(2,499)
Total Receipts	<u>261,000</u>	<u>261,000</u>	<u>227,366</u>	<u>(33,634)</u>
<b>Disbursements</b>				
<b>Current:</b>				
Health	251,902	251,902	237,906	13,996
Capital Outlay	10,000	10,000	394	9,606
Total Disbursements	<u>261,902</u>	<u>261,902</u>	<u>238,300</u>	<u>23,602</u>
Excess of Receipts Over (Under) Disbursements	<u>(902)</u>	<u>(902)</u>	<u>(10,934)</u>	<u>(10,032)</u>
Unencumbered Cash Balance Beginning of Year	58,413	58,413	58,413	
Prior Year Encumbrances Appropriated	<u>1,118</u>	<u>1,118</u>	<u>1,118</u>	
Fund Balance End of Year	<u><u>\$58,629</u></u>	<u><u>\$58,629</u></u>	<u><u>\$48,597</u></u>	<u><u>(\$10,032)</u></u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$306,000	\$306,000	\$406,102	\$100,102
Intergovernmental	74,724	74,724	94,945	20,221
Total Receipts	<u>380,724</u>	<u>380,724</u>	<u>501,047</u>	<u>120,323</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	<u>657,000</u>	<u>657,000</u>	<u>639,004</u>	<u>17,996</u>
Total Disbursements	<u>657,000</u>	<u>657,000</u>	<u>639,004</u>	<u>17,996</u>
Excess of Receipts Over (Under) Disbursements	<u>(276,276)</u>	<u>(276,276)</u>	<u>(137,957)</u>	<u>138,319</u>
Unencumbered Cash Balance Beginning of Year	<u>422,686</u>	<u>422,686</u>	<u>422,686</u>	
Fund Balance End of Year	<u><u>\$146,410</u></u>	<u><u>\$146,410</u></u>	<u><u>\$284,729</u></u>	<u><u>\$138,319</u></u>

*See accompanying notes to the basic financial statements.*

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

**1. REPORTING ENTITY**

Bath Township, Greene County, Ohio (the Township), is a body politic and corporate established the 3<sup>rd</sup> of March, 1807 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

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, including maintenance of Township roads and cemeteries. The Township contracts with the City of Fairborn for EMS and fire protection. Police protection is provided by the Greene County Sheriff. The Township has no component units. Component units are legally separate organizations for which a township is financially accountable.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2C, Basis of Accounting, 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balances 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 are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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

**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 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.

**B. Fund Accounting**

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

**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 Township has four major governmental funds. The General 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.

The other major governmental funds of the Township are the Road and Bridge Fund, the Cemetery Fund, and the Fire Levy Fund. The Road and Bridge Fund receives property tax money for constructing, maintaining and repairing Township roads. The Cemetery Fund is financed from the sales of lots and services to provide maintenance of the cemetery and related cemetery services. The Fire Levy Fund receives property taxes from an operating levy in order to provide fire related functions plus ambulance and other emergency services to the Township. The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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.

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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

**D. Budgetary Process**

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

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

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

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

**E. Cash and Investments**

The Township has a Depository Agreement for Active, Interim and/or Inactive Public Funds with Fifth Third Bank. The Bank secures its obligation under this Agreement by depositing with Bank of New York as safekeeping agent eligible securities in the amount and in the manner required pursuant to Chapter 135 of the Ohio Revised Code.

The Township records identify the purchase of nonnegotiable certificates of deposit by specific funds. These are the Township's only investments. Maturity dates may range from a few weeks up to one year depending on the anticipated need and the interest rates offered. Individual fund integrity is maintained through Township records.

Certificates of deposit are reported as assets, valued at cost. Accordingly, purchases of CDs are not recorded as disbursements, and sales of CDs are not recorded as receipts.

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2008 and 2007 were \$38,960 and \$53,003, respectively, which includes interest assigned from other Township funds.

**F. Restricted Assets**

Cash and cash equivalents 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. The Township has no restricted assets.

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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

**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. Accumulated Leave**

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

**J. 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, grantor, or laws or regulations of other governments. The majority of net assets restricted for other purposes include resources restricted for the Fire, Road and Bridge and Gas Tax Funds. 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.

**K. Fund Balances Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. The Township maintains an Accumulated Vacation/Sick Leave Termination Benefits Fund as a budget stabilization measure. The Township also has a Byron Cemetery Perpetual Care Fund that receives ten percent of the receipts from the sale of lots and cemetery services. 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.

**L. Interfund Transactions**

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.

**M. 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.

**N. 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 healthcare benefits.

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**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 Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund, road and bridge fund, cemetery fund and the fire levy 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 (cash basis) and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at 2008 year end (budgetary basis) amounted to \$61,732 for the general fund; \$8,699 for the road and bridge fund; and \$4,202 for the cemetery fund. The encumbrances outstanding at 2007 year end (budgetary basis) amounted to \$8,792 for the general fund; \$2,928 for the road and bridge fund; and \$4,292 for the cemetery fund.

**4. CASH AND CASH EQUIVALENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**4. CASH AND CASH EQUIVALENTS (Continued)**

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**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. As of December 2008 and 2007, \$907,979 and \$1,378,522, respectively, of the Township's bank balances of \$1,760,979 and \$1,478,522, respectively, were exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, 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.

**5. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 (2008) for real and public utility property taxes represents collections of the 2006 (2007) taxes. Property tax payments received during 2007 (2008) for tangible personal property (other than public utility property) is for 2007 (2008) taxes.

2007 (2008) real property taxes are levied after October 1, 2007 (2008) on the assessed values as of January 1, 2007 (2008), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 (2008) real property taxes are collected in and intended to finance 2008 (2009).

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

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**5. PROPERTY TAXES (Continued)**

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 (2008) public utility property taxes which became a lien on December 31, 2006 (2007), are levied after October 1, 2007 (2008), and are collected in 2008 (2009) with real property taxes.

2007 (2008) tangible property taxes are levied after October 1, 2006 (2007), on the value as of December 31, 2006 (2007). Collections are made in 2007 (2008). Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2007 (2008), was \$13.60 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 (2008) property tax receipts were based are as follows:

	<b>2008</b>	<b>2007</b>
<b>Real Property</b>		
Residential/Agricultural	\$73,967,780	\$68,823,930
Commercial/Industrial	16,853,770	15,579,750
 <b>Public Utility</b>		
Real	56,140	65,230
Personal	3,829,580	3,822,600
Tangible Personal	2,959,780	4,267,428
Total Assessed Value	<b>\$97,667,050</b>	<b>\$92,558,938</b>

**6. CAPITAL ASSETS**

The Township maintains an inventory listing of equipment and vehicles on its Uniform Accounting Network program and a listing of buildings, equipment and vehicles with the insurance carrier, The Ohio Government Risk Management Plan.

**7. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. Since September 1, 2006, the Township has contracted with The Ohio Government Risk Management Plan for property and casualty insurance. As of December 31, 2008, the Township had the following types of coverage:

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
The Ohio Government Risk Management Plan	Building & Personal Property	\$1,397,473
	General Liability	5,000,000
	Commercial Crime	25,000
	Inland Marine	579,103
	Vehicle	5,000,000
	Public Officials/Error & Omissions	5,000,000
	Fidelity Bonds, Trustees	25,000
Ohio Farmers Insurance Co.	Fidelity Bonds	5,000
Selective Insurance Co.	Fidelity Bond, Fiscal Officer	160,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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: 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	<u>\$ 6,862,902</u>	<u>\$6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

The Township pays the State Workers' Compensation System a premium based on a rate of 0.032831 per \$1.00 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims. The Township is a member of the Avizent/Frank Gates Service Company group rating plan.

**8. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). 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 plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to 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.

Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that is available at [www.opers.org](http://www.opers.org) or may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.50% of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85%.

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.00% of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14.00%. The Township has no Public Safety or Law Enforcement personnel. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$66,958, \$64,959, and \$59,189 respectively. The full amount has been contributed for 2008, 2007 and 2006. There were no member-directed plans.

**9. POST-EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

**Plan Description** - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

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

To qualify for post-employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided 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 healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer’s contribution to the traditional or combined plans is set aside for the funding of post-employment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment healthcare benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare was 7 percent of covered payroll from January 1 through December 31, 2008.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree’s surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township’s contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$4,687, \$3,573, and \$2,664 respectively; 100 percent has been contributed for 2008, 2007 and 2006.

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

**10. INTERFUND TRANSFERS**

During 2008 and 2007 the following General Fund transfers were made:

	<b>2008</b>	<b>2007</b>
<b>Transfers from the General Fund to:</b>		
Other Governmental Funds	\$37,357	\$8,000
 <b>Transfers from the FEMA Fund to:</b>		
General Fund	3,116	
Road and Bridge Fund	1,436	
Other Governmental Funds	3,020	
Total Transfers from the FEMA Fund	\$ 7,572	

**BATH TOWNSHIP  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(Continued)**

**10. INTERFUND TRANSFERS (Continued)**

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. 2007 transfers were made to Byron Cemetery Perpetual Care Fund in the amount of \$2,000 and represent interest earned on Certificates of Deposit that included the fund's monies and \$6,000 to Accumulated Vacation/Sick Leave Termination Benefits to match the projected outlay.

In 2008 transfers from the General Fund include: \$2,357 to Byron Cemetery Perpetual Care Fund; \$6,000 to Accumulated Vacation/Sick Leave Termination Benefits; and \$29,000 to Capital Projects Funds for the purchase of dump trucks in 2013 and 2017.

Transfers to the General Fund, Road and Bridge Fund and Other Governmental Funds in 2008 represent FEMA receipts that are transferred to the funds from which original disbursements were made.

**11. CONSTRUCTION AND CONTRACTUAL COMMITMENTS**

For the years 2007 and 2008, the Township had no major construction commitments. The Township does have a five-year contract with the City of Fairborn for EMS and fire protection, effective the first of January, 2007. The cost of these services is \$625,000 annually.

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# Mary Taylor, CPA

Auditor of State

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

Bath Township  
Greene County  
1006 Yellow Springs Fairfield Road  
Fairborn, Ohio 45324

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 Bath Township, Greene County, (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 11, 2009, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. 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(B) and 115.56 mandate 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting  
(Continued)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted a certain matter that we reported to the Township's management in a separate letter dated August 11, 2009.

**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 no instances of noncompliance or other matters we must report under *Government Auditing Standard*.

We did note a certain noncompliance or other matter that we reported to the Township's management in a separate letter dated August 11, 2009.

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



**Mary Taylor, CPA**  
Auditor of State

August 11, 2009



**Mary Taylor, CPA**  
Auditor of State

**BATH TOWNSHIP**

**GREENE 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  
SEPTEMBER 8, 2009**