



**BATH TOWNSHIP
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BATH TOWNSHIP
GREENE COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Bath Township, Greene County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Bath Township
Greene County
Report of Independent Accountants
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This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 11, 2001

**BATH TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Taxes	\$166,070	\$570,455		\$736,525
Licenses, Permits and Fees	133,771			133,771
Intergovernmental Receipts	281,196	123,470	\$82,453	487,119
Interest	64,742	4,827		69,569
Other Revenue	6,903	134,479		141,382
Total Cash Receipts	<u>652,682</u>	<u>833,231</u>	<u>82,453</u>	<u>1,568,366</u>
Cash Disbursements				
General Government	120,575			120,575
Public Safety		352,471		352,471
Public Works	140,141	260,977		401,118
Health	118,586	65,190		183,776
Human Services	3,500			3,500
Conservation - Recreation	15,726			15,726
Capital Outlay	42,865	19,414	62,941	125,220
Total Cash Disbursements	<u>441,393</u>	<u>698,052</u>	<u>62,941</u>	<u>1,202,386</u>
Total Receipts Over/(Under) Disbursements	<u>211,289</u>	<u>135,179</u>	<u>19,512</u>	<u>365,980</u>
Other Financing Receipts/(Disbursements)				
Operating Transfers In	8,798	9,000		17,798
Operating Transfers Out	(9,000)		(8,798)	(17,798)
Advances In	70,000		59,286	129,286
Advances Out	(59,286)		(70,000)	(129,286)
Total Other Financing Receipts/(Disbursements)	<u>10,512</u>	<u>9,000</u>	<u>(19,512)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	221,801	144,179	0	365,980
Fund Cash Balance, January 1,2000	<u>374,581</u>	<u>764,928</u>	<u>0</u>	<u>1,139,509</u>
Fund Cash Balance, December 31, 2000	<u>\$596,382</u>	<u>\$909,107</u>	<u>\$0</u>	<u>\$1,505,489</u>
Reserve For Encumbrances, December 31, 2000	<u>\$13,148</u>	<u>\$9,792</u>	<u>\$0</u>	<u>\$22,940</u>

The notes to the financial statements are an integral part of this statement.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Non-Expendable Trust</u>
Cash Receipts:	
Interest	<u>\$74</u>
Net Income	74
Fund Cash Balance, January 1, 2000	<u>704</u>
Fund Cash Balance, December 31, 2000	<u><u>\$778</u></u>

The notes to the financial statements are an integral part of this statement.

**BATH TOWNSHIP
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$153,793	\$553,256		\$707,049
Licenses, Permits and Fees	97,654			97,654
Intergovernmental Receipts	286,293	121,684	\$546,000	953,977
Interest	46,269			46,269
Other Revenue	16,354	103,681	70,000	190,035
Total Cash Receipts	<u>600,363</u>	<u>778,621</u>	<u>616,000</u>	<u>1,994,984</u>
Cash Disbursements:				
General Government	111,464			111,464
Public Safety		352,104		352,104
Public Works	172,000	243,325		415,325
Health	105,989	62,200		168,189
Human Services	3,500			3,500
Conservation - Recreation	9,558			9,558
Capital Outlay	226,326	1,743	626,714	854,783
Total Cash Disbursements	<u>628,837</u>	<u>659,372</u>	<u>626,714</u>	<u>1,914,923</u>
Total Receipts Over(Under) Disbursements	<u>(28,474)</u>	<u>119,249</u>	<u>(10,714)</u>	<u>80,061</u>
Other Financing Receipts/(Disbursements):				
Operating Transfers In		25,644		25,644
Operating Transfers Out	(25,667)			(25,667)
Advances In			10,714	10,714
Advances Out	(10,714)			(10,714)
Total Other Financing Receipts/(Disbursements)	<u>(36,381)</u>	<u>25,644</u>	<u>10,714</u>	<u>(23)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(64,855)</u>	<u>144,893</u>	<u>0</u>	<u>80,038</u>
Fund Cash Balance, January 1, 1999	<u>439,436</u>	<u>620,035</u>	<u>0</u>	<u>1,059,471</u>
Fund Cash Balance, December 31, 1999	<u>\$374,581</u>	<u>\$764,928</u>	<u>\$0</u>	<u>\$1,139,509</u>
Reserve For Encumbrances, December 31, 1999	<u>\$25,260</u>	<u>\$24,800</u>	<u>\$0</u>	<u>\$50,060</u>

The notes to the financial statements are an integral part of this statement.

BATH TOWNSHIP
GREENE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Non-Expendable Trust</u>
Cash Receipts:	
Interest	\$23
Operating income before Transfers	23
Operating Transfers In	23
Net Income	46
Fund Cash Balance, January 1, 1999	<u>658</u>
Fund Cash Balance, December 31, 1999	<u><u>\$704</u></u>

The notes to the financial statements are an integral part of this statement.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bath Township, Greene County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the City of Fairborn to provide fire services and ambulance services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

D. Fund Accounting (Continued)

Motor Vehicle License Tax Fund - This fund received motor vehicle license tax money for constructing, maintaining and repairing Township roads.

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Fire Levy Fund - This fund received property taxes from an operating levy in order to provide fire related functions plus ambulance and other emergency services to Township residents.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project fund:

Miscellaneous Capital Projects - The township utilizes this fund to account for various construction projects which the Township has obtained outside funding for.

4. Fiduciary Fund - Non-Expendable Trust Fund

This fund is used to account for resources restricted by legally binding trust agreement. The agreement requires the Township to maintain the corpus of the trust, thus classifying it as non-expendable. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - The Township uses this fund to account for a trust which specifies the income earned from the principle be restricted for maintenance of the Cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>2000</u>
Demand deposits	\$1,139,213	\$1,505,267
Certificates of deposit	1,000	1,000
Total deposits	<u>1,140,213</u>	<u>1,506,267</u>
Total deposits and investments	<u>\$1,140,213</u>	<u>\$1,506,267</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$540,258	\$731,480	\$191,222
Special Revenue	778,753	842,231	63,478
Capital Projects	154,286	141,739	(12,547)
Fiduciary	50	74	24
Total	<u>\$1,473,347</u>	<u>\$1,715,524</u>	<u>\$242,177</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$956,552	\$522,827	\$433,725
Special Revenue	1,501,681	707,844	793,837
Capital Projects	154,236	141,739	12,497
Fiduciary	0	0	0
Total	<u>\$2,612,469</u>	<u>\$1,372,410</u>	<u>\$1,240,059</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$536,170	\$600,363	\$64,193
Special Revenue	755,663	804,265	48,602
Capital Projects	651,714	626,714	(25,000)
Fiduciary	50	46	(4)
Total	<u>\$1,943,597</u>	<u>\$2,031,388</u>	<u>\$87,791</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$973,955	\$690,478	\$283,477
Special Revenue	1,343,117	684,172	658,945
Capital Projects	651,714	626,714	25,000
Fiduciary	0	0	0
Total	<u>\$2,968,786</u>	<u>\$2,001,364</u>	<u>\$967,422</u>

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

Township officials and full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. SUBSEQUENT EVENT

The Board of Trustees accepted a bid of \$159,610 for construction on Herr Road at its May 16, 2001 meeting.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Trustees:

We have audited the accompanying financial statements of Bath Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 11, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 11, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 11, 2001.

Bath Township
Greene County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 11, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JULY 3, 2001**