



**Auditor of State
Betty Montgomery**

**BATH TOWNSHIP
GREENE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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 (the Township), as of and for the years ended December 31, 2002 and December 31, 2001. 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 auditing standards generally accepted in the United States of America 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 of the Township as of December 31, 2002 and December 31, 2001, 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 April 16, 2003 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.

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Bath Township
Greene County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the Board of Trustees 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State of Ohio

April 16, 2003

**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, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$171,753	\$638,390	\$810,143
Intergovernmental	237,813	155,566	393,379
Licenses, Permits, and Fees	162,780		162,780
Earnings on Investments	16,562	1,039	17,601
Other Revenue	11,645	100,095	111,740
	<u>600,553</u>	<u>895,090</u>	<u>1,495,643</u>
Total Cash Receipts			
	<u>600,553</u>	<u>895,090</u>	<u>1,495,643</u>
Cash Disbursements:			
Current:			
General Government	159,868		159,868
Public Safety		579,665	579,665
Public Works	153,173	305,840	459,013
Health	151,735	80,872	232,607
Human Services	3,500		3,500
Conservation - Recreation	24,425		24,425
Capital Outlay	62,231	14,495	76,726
	<u>554,932</u>	<u>980,872</u>	<u>1,535,804</u>
Total Cash Disbursements			
	<u>554,932</u>	<u>980,872</u>	<u>1,535,804</u>
Total Receipts Over/(Under) Disbursements	<u>45,621</u>	<u>(85,782)</u>	<u>(40,161)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		15,000	15,000
Transfers-Out	(15,000)		(15,000)
	<u>(15,000)</u>	<u>15,000</u>	<u></u>
Total Other Financing Receipts/(Disbursements)			
	<u>(15,000)</u>	<u>15,000</u>	<u></u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>30,621</u>	<u>(70,782)</u>	<u>(40,161)</u>
Fund Cash Balances, January 1	<u>561,578</u>	<u>891,903</u>	<u>1,453,481</u>
Fund Cash Balances, December 31	<u>\$592,199</u>	<u>\$821,121</u>	<u>\$1,413,320</u>
Reserve for Encumbrances, December 31	<u>\$17,363</u>	<u>\$20,611</u>	<u>\$37,974</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
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Non-Expendable Trust</u>
Cash Receipts:	
Interest	\$37
Cash Disbursements	<u>0</u>
Net Income	37
Fund Cash Balance, January 1	<u>799</u>
Fund Cash Balance, December 31	<u><u>\$836</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, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$168,523	\$559,515	\$728,038
Intergovernmental	364,124	121,604	485,728
Licenses, Permits, and Fees	118,634		118,634
Earnings on Investments	53,476	3,385	56,861
Other Revenue	14,246	97,241	111,487
	<u>719,003</u>	<u>781,745</u>	<u>1,500,748</u>
Cash Disbursements:			
Current:			
General Government	133,284		133,284
Public Safety		420,021	420,021
Public Works	164,525	269,958	434,483
Health	120,970	73,678	194,648
Human Services	3,500		3,500
Conservation - Recreation	17,387		17,387
Capital Outlay	308,141	41,292	349,433
	<u>747,807</u>	<u>804,949</u>	<u>1,552,756</u>
Total Receipts (Under) Disbursements	(28,804)	(23,204)	(52,008)
Other Financing Receipts and Disbursements:			
Transfers-In		6,000	6,000
Transfers-Out	(6,000)		(6,000)
	<u>(6,000)</u>	<u>6,000</u>	
Total Other Financing Receipts/(Disbursements)	(6,000)	6,000	
Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(34,804)	(17,204)	(52,008)
Fund Cash Balances, January 1	596,382	909,107	1,505,489
Fund Cash Balances, December 31	<u>\$561,578</u>	<u>\$891,903</u>	<u>\$1,453,481</u>
Reserve for Encumbrances, December 31	<u>\$63,136</u>	<u>\$9,488</u>	<u>\$72,624</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
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Non-Expendable Trust</u>
Cash Receipts:	
Interest	\$21
Cash Disbursements	<u>0</u>
Net Income	21
Fund Cash Balance, January 1	<u>778</u>
Fund Cash Balance, December 31	<u><u>\$799</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, 2002 AND 2001**

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.

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:

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.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund – A non-expendable trust fund. Principal amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 in the subsequent year.

A summary of 2002 and 2001 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.

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:

**PLEASANT TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2002	2001
Demand deposits	\$231,156	\$824,280
Certificates of deposit	1,183,000	630,000
Total deposits	\$1,414,156	\$1,454,280

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$530,949	\$600,553	\$69,604
Special Revenue	780,463	910,090	129,627
Fiduciary	30	37	7
Total	\$1,311,442	\$1,510,680	\$199,238

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,068,036	\$587,295	\$480,741
Special Revenue	1,220,714	1,001,483	219,231
Total	\$2,288,750	\$1,588,778	\$699,972

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$653,309	\$719,003	\$65,694
Special Revenue	805,835	787,745	(18,090)
Fiduciary	50	21	(29)
Total	\$1,459,194	\$1,506,769	\$47,575

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$974,665	\$816,943	\$157,722
Special Revenue	865,767	814,437	51,330
Total	\$1,840,432	\$1,631,380	\$209,052

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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

The Township's elected officials and 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 postretirement 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 2002 and 2001, 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 1, 2001 through December 31, 2002. The Township has paid all contributions required through December 31, 2002.

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.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 (the Township), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 16, 2003. 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 *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 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 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 April 16, 2003.

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 April 16, 2003.

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

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State of Ohio

April 16, 2003



**Auditor of State
Betty Montgomery**

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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
MAY 15, 2003**