



Mary Taylor, CPA  
Auditor of State



**BETHEL TOWNSHIP  
CLARK COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Bethel Township  
Clark County  
11300 West National Road  
P.O. Box 225  
New Carlisle, Ohio 45344-0098

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, (the Township), as of and for the years ended December 31, 2007 and 2006, 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 opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Fire District, and Ambulance and Emergency Medical Services funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008, 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

September 12, 2008

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)**

This discussion and analysis of Bethel Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, 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 2006 and 2007 are as follows:

- Net assets of governmental activities increased \$485,300, or 27.2 percent in 2006, and \$29,352, or 1.3 percent in 2007. The funds most affected by the increases are the Fire District and Ambulance and Emergency Medical Services Fund.
- The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent 44.7 and 15.7 percent in 2006 and 45.4 and 16.0 percent in 2007 respectively for cash received for governmental activities.
- Health care insurance did not increase as drastically as in previous years therefore reducing its impact on the General Fund and Road & Bridge Fund. Also the cost of fuel continued to rise affecting most funds.
- In 2007 the Township purchased a piece of property including 6.5 acres of land and a house for \$237,500. The Township has begun the process of splitting the house from most of the acreage and selling the house. The remaining 5 acres will be used for a new fire station. In 2007 the fire department also purchased a new tanker truck for nearly \$200,000.

**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.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)  
(Continued)**

**Basis of Accounting**

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

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.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments 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 extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

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

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

**Governmental Funds** - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for 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, Fire District, and Ambulance and Emergency Medical Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.



**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)  
(Continued)**

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 and 2006 compared to 2005 on a cash basis:

**(Table 1)  
Net Assets**

	<b>Governmental Activities</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$2,300,150	\$2,270,798	\$1,785,498
Total Assets	<u>2,300,150</u>	<u>2,270,798</u>	<u>1,785,498</u>
<b>Net Assets</b>			
<b>Restricted for:</b>			
Bequest	912	880	
Other Purposes	1,531,963	1,534,451	1,157,626
Unrestricted	<u>767,275</u>	<u>735,467</u>	<u>627,872</u>
Total Net Assets	<u>\$2,300,150</u>	<u>\$2,270,798</u>	<u>\$1,785,498</u>

As mentioned previously, net assets of governmental activities increased \$485,300, or 27.2 percent in 2006, and \$29,352, or 1.3 percent in 2007. The primary reasons contributing to the increases in cash balances are as follows:

- In 2006 the Township moved funds into STAR Ohio which increased earnings on investment by \$38,328 in 2006 and this was carried forward to 2007 which earned the Township \$111,594 on total investments.
- Emergency medical services billings have increased due to an agreement with several health insurance providers to reimburse the Township for medical runs that were previously remitted to the patients.
- The Township decreased spending in 2006 on capital outlay and conservation and recreation by approximately \$180,000 to save money for the purchase of a new tanker truck.
- In 2006 and 2007, the Township received \$142,848 and \$92,826 respectively in estate taxes.
- The increase in net assets for 2007 was not as significant due to the purchase of the tanker which was \$183,165.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)  
(Continued)**

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 and 2005 for governmental activities.

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

	<b>Governmental Activities</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Receipts:</b>			
<b>Program Receipts:</b>			
Charges for Services and Sales	\$410,954	\$419,271	\$241,498
Operating Grants and Contributions	210,575	307,868	356,937
Total Program Receipts	<u>621,529</u>	<u>727,139</u>	<u>598,435</u>
<b>General Receipts:</b>			
Property and Other Local Taxes	961,833	986,294	1,199,376
Grants and Entitlements Not Restricted to Specific Programs	339,636	346,462	280,797
Sale of Fixed Assets	8,053		7,606
Cable Franchise Fees	60,130	54,818	
Interest	111,594	80,772	42,444
Miscellaneous	13,709	11,836	13,632
Total General Receipts	<u>1,494,955</u>	<u>1,480,182</u>	<u>1,543,855</u>
Total Receipts	<u>2,116,484</u>	<u>2,207,321</u>	<u>2,142,290</u>
<b>Disbursements:</b>			
General Government	260,949	195,114	174,302
Public Safety	829,656	935,358	860,298
Public Works	481,245	475,103	461,499
Health	10,847	15,715	174,744
Conservation & Recreation	41,530	31,837	86,489
Capital Outlay	462,905	68,894	201,041
Total Disbursements	<u>2,087,132</u>	<u>1,722,021</u>	<u>1,958,373</u>
Increase in Net Assets	29,352	485,300	183,917
Net Assets, January 1	<u>2,270,798</u>	<u>1,785,498</u>	<u>1,601,581</u>
Net Assets, December 31	<u><u>\$2,300,150</u></u>	<u><u>\$2,270,798</u></u>	<u><u>\$1,785,498</u></u>

Program receipts represent only 32.9 percent of total receipts in 2006 and 29.4 percent in 2007 respectively. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, emergency medical services fees, and special assessments for lighting districts.

General receipts represent 67.1 percent of the Township's 2006 total receipts and 70.6 percent of total receipts in 2007, and of this amount, over 66.6 percent are local taxes in 2006 and 64.3 percent in 2007. State and federal grants and entitlements, cable franchise fees, and investments make up the balance of the Township's general receipts (approximately 33 percent). Other receipts are insignificant and somewhat unpredictable revenue sources.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)  
(Continued)**

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 costs of trustees, fiscal officer, township manager, as well as the cost of the Township administrative building. Since these costs do not represent direct services to residents, we try to limit these costs to under 20 percent of General Fund unrestricted receipts.

Public Safety and Public Works include the costs of police, fire and EMS services, and the road department. In 2006 Health revenues and disbursements started going directly through the county-wide health agency for public health services. Health also includes costs of running and maintaining the townships active/inactive cemeteries. Conservation and recreation include costs to maintain several parks within the community. Capital outlay includes purchases related to equipment, vehicles, or buildings.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works, which account for 81.9 percent of all governmental disbursements in 2006 and 62.8 percent in 2007, respectively. General government also represents a significant cost, approximately 12 percent for both years. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (Disbursement) columns compare the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	<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>	<b>Total Cost of Services 2005</b>	<b>Net Cost of Services 2005</b>
General Government	\$260,949	(\$260,949)	\$195,114	(\$195,114)	\$174,302	(\$174,302)
Public Safety	829,656	(531,470)	935,358	(521,100)	860,298	(596,977)
Public Works	481,245	(162,786)	475,103	(166,076)	461,499	(176,814)
Health	10,847	(5,963)	15,715	(11,861)	174,744	(171,294)
Conservation & Recreation	41,530	(41,530)	31,837	(31,837)	86,489	(39,510)
Capital Outlay	462,905	(462,905)	68,894	(68,894)	201,041	(201,041)
<b>Total Expenses</b>	<b>\$2,087,132</b>	<b>(\$1,465,603)</b>	<b>\$1,722,021</b>	<b>(\$994,882)</b>	<b>\$1,958,373</b>	<b>(\$1,359,938)</b>

The dependence upon property tax receipts is apparent as 66.6 percent in 2006 and 64.3 percent in 2007 of governmental activities are supported through this general receipt.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(UNAUDITED)  
(Continued)**

**The Township's Funds**

In 2006 governmental activities had receipts of \$2,207,321 and disbursements of \$1,722,021. In 2007 governmental activities had receipts of \$2,116,484 and disbursements of \$2,087,132. There is a significant increase in disbursements from 2006 to 2007 because of two major purchases by the township (land for the fire station and a new tanker truck) of over \$400,000.

**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 2006 and 2007, the Township amended its General Fund budget several times to reflect changing circumstances.

Final disbursements in 2006 were budgeted at \$973,872 while actual disbursements were \$278,162. Final disbursements in 2007 were budgeted at \$936,293 while actual disbursements were \$356,524. The overall result is an increase in fund balance of \$145,153 from 2005.

**Capital Assets and Debt Administration**

**Capital Assets**

Capital asset information to include date of acquisition, cost, description, and location is maintained and reported to the county engineer on a yearly basis. The Township does not currently keep records of its infrastructure.

**Debt**

The Township does not currently have any debt.

**Current Issues**

The challenge for all Townships 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 real estate taxes and have very little industry to support the tax base. Also, the costs of health care, fuel, utilities (gas & electric), and other expenses are rising while revenues remain mostly stable, will eventually create deficits. The Township's strategy is to try to save money where possible. In the coming years the Township will have to seek out additional property tax levies to keep up with rising costs.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Melanie M. Cochran, Township Fiscal Officer, Bethel Township, 11300 West National Road, P.O. Box 225, New Carlisle, Ohio 45344-0098.

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,300,150
Total Assets	<u>2,300,150</u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Permanent Fund: Cemetery Bequest	
Nonexpendable	912
Other Purposes	1,531,963
Unrestricted	<u>767,275</u>
Total Net Assets	<u>\$2,300,150</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

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

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
<b>Governmental Activities:</b>	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
General Government	\$260,949			(\$260,949)
Public Safety	829,656	\$292,686	\$5,500	(531,470)
Public Works	481,245	113,384	205,075	(162,786)
Health	10,847	4,884		(5,963)
Conservation-Recreation	41,530			(41,530)
Capital Outlay	462,905			(462,905)
<b>Total Governmental Activities</b>	<u><u>\$2,087,132</u></u>	<u><u>\$410,954</u></u>	<u><u>\$210,575</u></u>	<u><u>(1,465,603)</u></u>
<b>General Receipts</b>				
Property Taxes				961,833
Grants and Entitlements not Restricted to Specific Programs				339,636
Sale of Fixed Assets				8,053
Cable Franchise Fees				60,130
Earnings on Investments				111,594
Miscellaneous				13,709
<b>Total General Receipts</b>				<u>1,494,955</u>
<b>Change in Net Assets</b>				29,352
<b>Net Assets Beginning of Year</b>				<u>2,270,798</u>
<b>Net Assets End of Year</b>				<u><u>\$2,300,150</u></u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$767,275	\$143,342	\$399,719	\$414,293	\$575,521	\$2,300,150
Total Assets	<u>767,275</u>	<u>143,342</u>	<u>399,719</u>	<u>414,293</u>	<u>575,521</u>	<u>2,300,150</u>
<b>Fund Balances:</b>						
<b>Reserved:</b>						
Reserved for Encumbrances				1,171		1,171
<b>Unreserved:</b>						
<b>Undesignated, Reported in:</b>						
General Fund	767,275					767,275
Special Revenue Funds		143,342	399,719	413,122	574,609	1,530,792
Permanent Fund					912	912
Total Fund Balances	<u>\$767,275</u>	<u>\$143,342</u>	<u>\$399,719</u>	<u>\$414,293</u>	<u>\$575,521</u>	<u>\$2,300,150</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>						
Property and Other Local Taxes		\$205,960	\$631,734		\$193,037	\$1,030,731
Charges for Services				\$270,997		270,997
Licenses, Permits and Fees	\$60,130				4,084	64,214
Fines and Forfeitures	21,689					21,689
Intergovernmental	180,082	32,634	106,204	5,500	225,791	550,211
Special Assessments					44,486	44,486
Earnings on Investments	98,307				13,287	111,594
Miscellaneous	6,829	892	5,838	150	800	14,509
<b>Total Receipts</b>	<u>367,037</u>	<u>239,486</u>	<u>743,776</u>	<u>276,647</u>	<u>481,485</u>	<u>2,108,431</u>
<b>Disbursements</b>						
<b>Current:</b>						
General Government	260,949					260,949
Public Safety	1,719		536,336	134,204	157,397	829,656
Public Works	1,553	212,620			267,072	481,245
Health	10,773				74	10,847
Conservation-Recreation	41,530					41,530
Capital Outlay			362,905	100,000		462,905
<b>Total Disbursements</b>	<u>316,524</u>	<u>212,620</u>	<u>899,241</u>	<u>234,204</u>	<u>424,543</u>	<u>2,087,132</u>
Excess of Receipts Over (Under) Disbursements	<u>50,513</u>	<u>26,866</u>	<u>(155,465)</u>	<u>42,443</u>	<u>56,942</u>	<u>21,299</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Fixed Assets	1,295	638	5,358		762	8,053
Transfers In					20,000	20,000
Transfers Out	(20,000)					(20,000)
Advances In	20,000				20,000	40,000
Advances Out	(20,000)				(20,000)	(40,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(18,705)</u>	<u>638</u>	<u>5,358</u>		<u>20,762</u>	<u>8,053</u>
<b>Net Change in Fund Balances</b>	<u>31,808</u>	<u>27,504</u>	<u>(150,107)</u>	<u>42,443</u>	<u>77,704</u>	<u>29,352</u>
Fund Balances Beginning of Year	<u>735,467</u>	<u>115,838</u>	<u>549,826</u>	<u>371,850</u>	<u>497,817</u>	<u>2,270,798</u>
<b>Fund Balances End of Year</b>	<u>\$767,275</u>	<u>\$143,342</u>	<u>\$399,719</u>	<u>\$414,293</u>	<u>\$575,521</u>	<u>\$2,300,150</u>

See accompanying notes to the basic financial statements.



**BETHEL TOWNSHP  
CLARK 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>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Receipts</b>				
Licenses, Permits and Fees	\$52,000	\$52,000	\$60,130	\$8,130
Fines and Forfeitures	15,000	15,000	21,689	6,689
Intergovernmental	98,276	92,826	180,082	87,256
Earnings on Investments	40,000	40,000	98,307	58,307
Miscellaneous	1,000	1,000	6,829	5,829
Total receipts	<u>206,276</u>	<u>200,826</u>	<u>367,037</u>	<u>166,211</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	293,000	353,000	260,949	92,051
Public Safety	10,000	10,000	1,719	8,281
Public Works	4,000	4,000	1,553	2,447
Health	33,000	33,000	10,773	22,227
Human Services				
Conservation-Recreation	55,000	60,000	41,530	18,470
Other				
Capital Outlay	171,743	101,293		101,293
Total Disbursements	<u>566,743</u>	<u>561,293</u>	<u>316,524</u>	<u>244,769</u>
Excess of Receipts Over (Under) Disbursements	<u>(360,467)</u>	<u>(360,467)</u>	50,513	<u>410,980</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets			1,295	1,295
Transfers In				
Transfers Out	(25,000)	(25,000)	(20,000)	5,000
Advances In			20,000	20,000
Advances Out	(50,000)	(50,000)	(20,000)	30,000
Other Financing Uses	<u>(300,000)</u>	<u>(300,000)</u>		<u>300,000</u>
Total Other Financing Sources (Uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(18,705)</u>	<u>356,295</u>
Net Change in Fund Balance	(735,467)	(735,467)	31,808	767,275
Fund Balance Beginning of Year	735,467	735,467	735,467	
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$767,275</u>	<u>\$767,275</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHP  
CLARK COUNTY**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Property and Other Local Taxes	\$224,561	\$216,868	\$205,960	(\$10,908)
Licenses, Permits and Fees	250	250		(250)
Intergovernmental			32,634	32,634
Miscellaneous	1,000	800	892	92
Total receipts	<u>225,811</u>	<u>217,918</u>	<u>239,486</u>	<u>21,568</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	<u>341,649</u>	<u>333,756</u>	<u>212,620</u>	<u>121,136</u>
Total Disbursements	<u>341,649</u>	<u>333,756</u>	<u>212,620</u>	<u>121,136</u>
Excess of Receipts Over (Under) Disbursements	<u>(115,838)</u>	<u>(115,838)</u>	<u>26,866</u>	<u>142,704</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets			<u>638</u>	<u>638</u>
Total Other Financing Sources (Uses)			<u>638</u>	<u>638</u>
Net Change in Fund Balance	(115,838)	(115,838)	27,504	143,342
Fund Balance Beginning of Year	115,838	115,838	115,838	
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$143,342</u>	<u>\$143,342</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHP  
CLARK COUNTY**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$688,122	\$655,587	\$631,734	(\$23,853)
Licenses, Permits and Fees				
Intergovernmental			106,204	106,204
Miscellaneous	2,000	2,000	5,838	3,838
Total receipts	<u>690,122</u>	<u>657,587</u>	<u>743,776</u>	<u>86,189</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	670,500	642,500	536,336	106,164
Capital Outlay	344,448	372,448	362,905	9,543
Total Disbursements	<u>1,014,948</u>	<u>1,014,948</u>	<u>899,241</u>	<u>115,707</u>
Excess of Receipts Over (Under) Disbursements	<u>(324,826)</u>	<u>(357,361)</u>	<u>(155,465)</u>	<u>201,896</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets			5,358	5,358
Other Financing Uses	<u>(225,000)</u>	<u>(192,465)</u>		<u>192,465</u>
Total Other Financing Sources (Uses)	<u>(225,000)</u>	<u>(192,465)</u>	<u>5,358</u>	<u>197,823</u>
Net Change in Fund Balance	(549,826)	(549,826)	(150,107)	399,719
Fund Balance Beginning of Year	549,826	549,826	549,826	
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$399,719</u>	<u>\$399,719</u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHP  
CLARK COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$140,000	\$140,000	\$270,997	\$130,997
Intergovernmental			5,500	5,500
Miscellaneous	300	50	150	100
Total receipts	<u>140,300</u>	<u>140,050</u>	<u>276,647</u>	<u>136,597</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	387,150	286,900	135,375	151,525
Capital Outlay		100,000	100,000	
Total Disbursements	<u>387,150</u>	<u>386,900</u>	<u>235,375</u>	<u>151,525</u>
Excess of Receipts Over (Under) Disbursements	<u>(246,850)</u>	<u>(246,850)</u>	41,272	288,122
<b>Other Financing Sources (Uses)</b>				
Other Financing Uses	<u>(125,000)</u>	<u>(125,000)</u>		125,000
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>		125,000
Net Change in Fund Balance	(371,850)	(371,850)	41,272	413,122
Fund Balance Beginning of Year	371,850	371,850	371,850	
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$413,122</u>	<u>\$413,122</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
DECEMBER 31, 2007

	<u>Private Purpose Trust</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$761
Total Assets	<u>\$761</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Other Purposes	761
Total Net Assets	<u>\$761</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF CHANGES IN NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest	\$26
Total Additions	<u>26</u>
<b>Deductions:</b>	
Total Deductions	<u></u>
Change in Net Assets	26
Net Assets - Beginning of Year	<u>735</u>
Net Assets - End of Year	<u><u>\$761</u></u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,270,798</u>
Total Assets	<u><u>2,270,798</u></u>
<b>Net Assets:</b>	
<b>Restricted for:</b>	
Permanent Fund: Cemetery Bequest	
Nonexpendable	880
Other Purposes	1,534,451
Unrestricted	<u>735,467</u>
Total Net Assets	<u><u>\$2,270,798</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
General Government	\$195,114			(\$195,114)
Public Safety	935,358	\$297,973	\$116,285	(521,100)
Public Works	475,103	117,444	191,583	(166,076)
Health	15,715	3,854		(11,861)
Conservation-Recreation	31,837			(31,837)
Capital Outlay	68,894			(68,894)
Total Governmental Activities	\$1,722,021	\$419,271	\$307,868	(994,882)
	<b>General Receipts</b>			
				986,294
				346,462
				54,818
				80,772
				11,836
				1,480,182
				485,300
				1,785,498
				\$2,270,798

*See accompanying notes to the basic financial statements.*



**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$735,467	\$115,838	\$549,826	\$371,850	\$497,817	\$2,270,798
Total Assets	<u>735,467</u>	<u>115,838</u>	<u>549,826</u>	<u>371,850</u>	<u>497,817</u>	<u>2,270,798</u>
<b>Fund Balances:</b>						
<b>Unreserved:</b>						
Undesignated, Reported in:						
General Fund	735,467					735,467
Special Revenue Funds		115,838	549,826	371,850	496,937	1,534,451
Permanent Fund					880	880
Total Fund Balances	<u>\$735,467</u>	<u>\$115,838</u>	<u>\$549,826</u>	<u>\$371,850</u>	<u>\$497,817</u>	<u>\$2,270,798</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>Ambulance and Emergency Medical Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>						
Property and Other Local Taxes		\$209,313	\$649,312		\$197,549	\$1,056,174
Charges for Services				\$278,826		278,826
Licenses, Permits and Fees	\$54,818	441			3,855	59,114
Fines and Forfeitures	19,147					19,147
Intergovernmental	217,576	27,748	84,401		324,605	654,330
Special Assessments					47,122	47,122
Earnings on Investments	71,609				9,163	80,772
Miscellaneous	2,607	85	9,144			11,836
Total Receipts	<u>365,757</u>	<u>237,587</u>	<u>742,857</u>	<u>278,826</u>	<u>582,294</u>	<u>2,207,321</u>
<b>Disbursements</b>						
<b>Current:</b>						
General Government	195,114					195,114
Public Safety	8,411		494,200	150,315	282,432	935,358
Public Works	1,358	224,115			249,630	475,103
Health	15,715					15,715
Conservation-Recreation	31,837					31,837
Capital Outlay	5,727		63,167			68,894
Total Disbursements	<u>258,162</u>	<u>224,115</u>	<u>557,367</u>	<u>150,315</u>	<u>532,062</u>	<u>1,722,021</u>
Excess of Receipts Over (Under) Disbursements	<u>107,595</u>	<u>13,472</u>	<u>185,490</u>	<u>128,511</u>	<u>50,232</u>	<u>485,300</u>
Other Financing Sources (Uses)						
Advances In	20,000				20,000	40,000
Advances Out	<u>(20,000)</u>				<u>(20,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)						
Net Change in Fund Balances	107,595	13,472	185,490	128,511	50,232	485,300
Fund Balances Beginning of Year	<u>627,872</u>	<u>102,366</u>	<u>364,336</u>	<u>243,339</u>	<u>447,585</u>	<u>1,785,498</u>
Fund Balances End of Year	<u>\$735,467</u>	<u>\$115,838</u>	<u>\$549,826</u>	<u>\$371,850</u>	<u>\$497,817</u>	<u>\$2,270,798</u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts</b>				
Licenses, Permits and Fees	\$54,000	\$54,000	\$54,818	\$818
Fines and Forfeitures	10,500	19,000	19,147	147
Intergovernmental	96,000	213,250	217,576	4,326
Earnings on Investments	32,000	63,000	71,609	8,609
Miscellaneous	4,000	2,500	2,607	107
Total receipts	<u>196,500</u>	<u>351,750</u>	<u>365,757</u>	<u>14,007</u>
<b>Disbursements</b>				
<b>Current:</b>				
General Government	290,728	291,728	195,114	96,614
Public Safety	40,000	44,000	8,411	35,589
Public Works	4,000	4,000	1,358	2,642
Health	48,000	48,000	15,715	32,285
Human Services				
Conservation-Recreation	54,000	54,000	31,837	22,163
Other				
Capital Outlay	106,894	101,894	5,727	96,167
Total Disbursements	<u>543,622</u>	<u>543,622</u>	<u>258,162</u>	<u>285,460</u>
Excess of Receipts Over (Under) Disbursements	<u>(347,122)</u>	<u>(191,872)</u>	<u>107,595</u>	<u>299,467</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(25,000)	(25,000)		25,000
Advances In			20,000	20,000
Advances Out	(50,000)	(50,000)	(20,000)	30,000
Other Financing Uses	<u>(200,000)</u>	<u>(355,250)</u>		<u>355,250</u>
Total Other Financing Sources (Uses)	<u>(275,000)</u>	<u>(430,250)</u>		<u>430,250</u>
Net Change in Fund Balance	(622,122)	(622,122)	107,595	729,717
Fund Balance Beginning of Year	622,122	622,122	622,122	
Prior Year Encumbrances Appropriated	<u>5,750</u>	<u>5,750</u>	<u>5,750</u>	
Fund Balance End of Year	<u><u>\$5,750</u></u>	<u><u>\$5,750</u></u>	<u><u>\$735,467</u></u>	<u><u>\$729,717</u></u>

See accompanying notes to the basic financial statements.

**BETHEL TOWNSHP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$227,926	\$209,000	\$209,313	\$313
Licenses, Permits and Fees	250	250	441	191
Intergovernmental	3,512	26,925	27,748	823
Miscellaneous	1,000	50	85	35
Total receipts	<u>232,688</u>	<u>236,225</u>	<u>237,587</u>	<u>1,362</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Works	<u>335,054</u>	<u>338,591</u>	<u>224,115</u>	<u>114,476</u>
Total Disbursements	<u>335,054</u>	<u>338,591</u>	<u>224,115</u>	<u>114,476</u>
Excess of Receipts Over (Under) Disbursements	<u>(102,366)</u>	<u>(102,366)</u>	<u>13,472</u>	<u>115,838</u>
Fund Balance Beginning of Year	102,366	102,366	102,366	
Prior Year Encumbrances Appropriated	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$115,838</u></u>	<u><u>\$115,838</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$707,993	\$648,000	\$649,312	\$1,312
Licenses, Permits and Fees				
Intergovernmental	12,026	82,000	84,401	2,401
Miscellaneous	3,500	8,350	9,144	794
Total receipts	<u>723,519</u>	<u>738,350</u>	<u>742,857</u>	<u>4,507</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	583,500	613,500	494,200	119,300
Capital Outlay	328,586	298,586	63,167	235,419
Total Disbursements	<u>912,086</u>	<u>912,086</u>	<u>557,367</u>	<u>354,719</u>
Excess of Receipts Over (Under) Disbursements	<u>(188,567)</u>	<u>(173,736)</u>	<u>185,490</u>	<u>359,226</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets				
Other Financing Uses	<u>(175,000)</u>	<u>(189,831)</u>		<u>189,831</u>
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(189,831)</u>		<u>189,831</u>
Net Change in Fund Balance	(363,567)	(363,567)	185,490	549,057
Fund Balance Beginning of Year	345,160	345,160	345,160	
Prior Year Encumbrances Appropriated	<u>19,176</u>	<u>19,176</u>	<u>19,176</u>	
Fund Balance End of Year	<u><u>\$769</u></u>	<u><u>\$769</u></u>	<u><u>\$549,826</u></u>	<u><u>\$549,057</u></u>

*See accompanying notes to the basic financial statements.*

**BETHEL TOWNSHP  
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
AMBULANCE AND EMERGENCY MEDICAL SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Charges for Services	\$140,000	\$250,000	\$278,826	\$28,826
Miscellaneous	300			
Total receipts	<u>140,300</u>	<u>250,000</u>	<u>278,826</u>	<u>28,826</u>
<b>Disbursements</b>				
<b>Current:</b>				
Public Safety	293,639	293,639	150,315	143,324
Capital Outlay				
Total Disbursements	<u>293,639</u>	<u>293,639</u>	<u>150,315</u>	<u>143,324</u>
Excess of Receipts Over (Under) Disbursements	<u>(153,339)</u>	<u>(43,639)</u>	<u>128,511</u>	<u>172,150</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets				
Other Financing Uses	<u>(90,000)</u>	<u>(199,700)</u>		<u>199,700</u>
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(199,700)</u>		<u>199,700</u>
Net Change in Fund Balance	(243,339)	(243,339)	128,511	371,850
Fund Balance Beginning of Year	242,744	242,744	242,744	
Prior Year Encumbrances Appropriated	<u>595</u>	<u>595</u>	<u>595</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$371,850</u>	<u>\$371,850</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
DECEMBER 31, 2006

	<u>Private Purpose Trust</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$735
Total Assets	<u>735</u>
<b>Net Assets</b>	
<b>Restricted for:</b>	
Other Purposes	735
Total Net Assets	<u>\$735</u>

*See accompanying notes to the basic financial statements.*

BETHEL TOWNSHIP  
CLARK COUNTY

STATEMENT OF CHANGES IN NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest	\$28
Total Additions	<u>28</u>
<b>Deductions:</b>	
Total Deductions	<u>          </u>
Change in Net Assets	28
Net Assets - Beginning of Year	<u>707</u>
Net Assets - End of Year	<u><u>\$735</u></u>

*See accompanying notes to the basic financial statements.*



**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

**1. REPORTING ENTITY**

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

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

**A. Primary Government**

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

**B. Component Units**

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

**C. Public Entity Risk Pool**

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. Note 6 to the financial statements provides additional information for this entity.

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

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

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

**2. Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**B. Fund Accounting**

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

**1. Governmental Funds**

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

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

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

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

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

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

**2. Fiduciary Funds**

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

**C. Basis of Accounting**

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

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**D. Budgetary Process**

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

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

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

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

**E. Cash and Investments**

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2007 and 2006, the Township invested in a money market fund, and STAR Ohio. The Township's money market fund investment is recorded at the amount reported by Wesbanco on December 31, 2007 and 2006.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007 and 2006.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 were \$98,307 and \$71,609 respectively.

**F. Restricted Assets**

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

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Interfund Receivables/Payables**

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

**J. Accumulated Leave**

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

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

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

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

**M. Net Assets**

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

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**N. Fund Balance 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. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**O. Interfund Transactions**

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**3. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (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 December 31, 2007 (budgetary basis) amounted to \$1,171 in the Ambulance and Emergency Services Fund.

**4. DEPOSITS AND INVESTMENTS**

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

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

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

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

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

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

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

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$579,055 of the Township's bank balance of \$779,705 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution, but not in the Township's name. At December 31, 2006, \$588,776 of the Township's bank balance of \$789,490 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution, but not in the Township's name.

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

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**B. Investments**

The Township's only investment at December 31, 2007 was in STAR Ohio, an investment pool operated by the Ohio State Treasurer. STAR Ohio is an uninsured and uncollateralized investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio had a fair value of \$1,627,164 at December 31, 2007 and \$1,547,692 at December 31, 2006 and was rated AAAM by Standard and Poors. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

**5. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005 respectively, on the assessed values as of January 1, 2006 and 2005 respectively, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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.

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 and 2006 public utility property taxes which became a lien on December 31, 2006 and 2005, are levied after October 1, 2007 and 2006, and are collected in 2008 and 2007 with real property taxes.

2007 and 2006 tangible property taxes are levied after October 1, 2006 and 2005 respectively, on the value as of December 31, 2006 and 2005. 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, was \$70.172 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential/Agriculture	\$154,831,000
Commercial/Industrial	19,440,510
Public Utility Personal	5,012,000
Property	
Tangible Personal Property	<u>8,982,838</u>
Total Assessed Value	<u><u>\$188,266,348</u></u>



**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**5. PROPERTY TAXES (Continued)**

The full tax rate for all Township operations for the year ended December 31, 2006, was \$71.042 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential/Agriculture	\$152,385,670
Commercial/Industrial	15,840,160
Public Utility Personal Property	5,139,080
Tangible Personal Property	<u>12,269,090</u>
Total Assessed Value	<u><u>\$185,634,000</u></u>

**6. RISK MANAGEMENT**

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Coverage**

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

**Property Coverage**

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**Financial Position**

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006:

	<b>2007</b>	<b>2006</b>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	\$29,852,866	\$29,921,614

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$20,286. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

<b>Contributions to OTARMA</b>	
2005	\$30,626
2006	\$30,150
2007	\$21,581

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

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

**7. 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 plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the years ended December 31, 2007 and 2006, the members of all three plans were required to contribute 9.5 percent and 9 percent respectively of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent and for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contribution for pension obligations to the traditional and combined plans for the year ended December 31, 2007, 2006, and 2005 were \$34,070, \$32,210, and \$35,938. The full amount has been contributed for 2007, 2006, and 2005.

**BETHEL TOWNSHIP  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**8. POST-EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care. The 2006 local government employer contribution rate was 13.7percent of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 5 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund post-employment benefits were \$9,840. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007 were \$12 billion.

The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**9. CONTINGENT LIABILITIES**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, they believe the resolution of this matter will not materially adversely affect the Township's financial condition.

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



# 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*

Bethel Township  
Clark County  
11300 West National Road  
P.O. Box 225  
New Carlisle, Ohio 45344-0098

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bethel Township, Clark County, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 12, 2008. We 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 opinions 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 certain matters that we reported to the Township's management in a separate letter dated September 12, 2008.

**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 Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated September 12, 2008.

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



**Mary Taylor, CPA**  
Auditor of State

September 12, 2008

**BETHEL TOWNSHIP  
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	The Township should obtain a Tier 2 SAS 70 audit for their emergency medical services billings organization or implement monitoring procedures	No	Partially Corrected; Service Provider obtained a Tier 2 SAS 70 audit subsequent to current audit period; Comment reported in letter to management
2005-002	ORC Sec. 5705.41(D) – Fiscal Officer failed to certify funds available prior to expenditures	No	Partially Corrected; Comment reported in letter to management







**Mary Taylor, CPA**  
Auditor of State

**BETHEL TOWNSHIP**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 30, 2008**