



Dave Yost • Auditor of State

**BATH TOWNSHIP
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Year Ended December 31, 2010.....	3
Statement of Net Assets – Cash Basis - December 31, 2010.....	9
Statement of Activities – Cash Basis - For the Year Ended December 31, 2010.....	10
Statement of Cash Basis Assets and Fund Balances Governmental Funds - December 31, 2010.....	11
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2010.....	12
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2010.....	13
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund – For the Year Ended December 31, 2010.....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Cemetery Fund – For the Year Ended December 31, 2010.....	15
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire Levy – For the Year Ended December 31, 2010.....	16
Management's Discussion and Analysis For the Year Ended December 31, 2009.....	17
Statement of Net Assets – Cash Basis - December 31, 2009.....	23
Statement of Activities – Cash Basis - For the Year Ended December 31, 2009.....	24
Statement of Cash Basis Assets and Fund Balances Governmental Funds - December 31, 2009.....	25
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2009.....	26

**BATH TOWNSHIP
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2009	27
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund – For the Year Ended December 31, 2009	28
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Cemetery Fund – For the Year Ended December 31, 2009	29
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire Levy Fund – For the Year Ended December 31, 2009	30
Notes to the Financial Statements For the Years Ended December 31, 2010 and 2009	31
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	43



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bath Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bath Township, Greene County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Road and Bridge, Cemetery and Fire Levy Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.



Dave Yost
Auditor of State

November 17, 2011

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED**

This discussion and analysis of Bath Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2010, within the limitations of the Township's cash basis of 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 2010 are as follows:

- Net assets of governmental activities increased \$77,705, or 4 percent, during 2010. A major portion of the increase, \$72,666, was in restricted funds.
- Capital Outlay included the purchase of a new dump truck costing \$110,031.
- Property taxes represent 75 percent of general receipts and 50 percent of total receipts. General receipts decreased \$34,206 or 2.6 percent, largely due to a decrease in property taxes, local government funds, and interest receipts.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Reporting the Government as a Whole

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

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

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

Reporting Bath Township's Most Significant Funds

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

Governmental Funds - The Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activities or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Cemetery Fund, and the Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

The Government as a Whole

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

**(Table 1)
Net Assets**

	Governmental Activities	
	2010	2009
Assets:		
Cash and Cash Equivalents	\$1,985,696	\$1,907,990
Total Assets	<u>1,985,696</u>	<u>1,907,990</u>
Net Assets:		
Restricted for:		
Capital Projects	119,000	114,000
Permanent: For Improvement		
Expendable	522	517
Non Expendable	500	500
Other Purposes	1,177,391	1,109,730
Unrestricted	<u>688,283</u>	<u>683,243</u>
Total Net Assets	<u>\$1,985,696</u>	<u>\$1,907,990</u>

As mentioned previously, net assets of governmental activities increased \$77,705 or 4 percent during 2010. The major portion of the increase was in restricted funds. The Fire Fund increased \$82,948 and the Byron Cemetery Perpetual Care Fund increased \$30,078. These were offset by a decrease of \$29,285 in the Accumulated Vacation/Sick Leave Benefit Fund.

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities.

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

	Governmental Activities	
	2010	2009
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 306,977	\$ 318,372
Operating Grants and Contributions	355,993	350,818
Total Program Receipts	<u>662,970</u>	<u>669,190</u>
General Receipts:		
Property Taxes	967,330	974,097
Grants and Entitlements Not Restricted to Specific Programs	281,593	300,434
Interest	5,232	14,727
Other	31,144	30,246
Total General Receipts	<u>1,285,299</u>	<u>1,319,504</u>
Total Receipts	<u>1,948,269</u>	<u>1,988,694</u>

(Continued)

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

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

	Governmental Activities	
	2010	2009
Disbursements:		
General Government	203,288	218,105
Public Safety	640,911	640,405
Public Works	526,485	532,982
Health	320,996	276,645
Human Services	4,700	6,100
Conservation-Recreation	51,581	29,625
Capital Outlay	122,603	95,645
Total Disbursements	<u>1,870,564</u>	<u>1,799,507</u>
Increase (Decrease) in Net Assets	77,705	189,187
Net Assets, January 1	1,907,990	1,718,803
Net Assets, December 31	<u>\$1,985,695</u>	<u>\$1,907,990</u>

Program receipts represent 34.0 percent of total receipts—15.7 percent of which is Charges for Services and Sales for cemetery sales and services, zoning fees, and community room rental. The remaining 18.3 percent is comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and public utility deregulation, personal property, and roll back and homestead reimbursements from the State.

Program receipts for Charges for Services and Sales decreased \$11,395, or 3.6 percent. While various program receipts fluctuated somewhat and the overall decrease was small, there were larger fluctuations in the sale of footers and open and close services, a decrease of \$32,872, which was offset by an increase in the sale of lots and crypts of \$27,585.

General receipts represent 66.0 percent of the Township's total receipts. Property taxes represent 75 percent of general receipts and 50 percent of total receipts. State grants and entitlements make up 22 percent of the Township's general receipts. Other receipts include cable franchise fees, interest, and miscellaneous receipts that are insignificant revenue sources.

General receipts decreased \$34,206, 2.6 percent, despite the receipt of \$95,538 in Estate Tax—a \$17,291 increase over 2009. Declines in Local Government funding, cable franchise fees, property taxes, and interest rates are largely responsible for the decrease.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the Board of Trustees, the Fiscal Officer, office staff and supplies, townhall maintenance, and zoning boards and inspection. These costs remain fairly constant and represent approximately 11 percent of total disbursements.

Public Safety includes the cost of fire protection and EMS. Disbursements for Public Safety represent 34 percent of total disbursements. Public Works, the cost of maintaining the roads, represents 28 percent of disbursements.

Health includes disbursements to the County Health Department and cemetery operations and represents 17 percent of disbursements. Conservation-Recreation is the cost of maintaining the park which included \$14,850 for reroofing the shelters. Capital Outlay includes the purchase of a new dump truck costing \$110,030.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works—accounting for 34 and 28 percent, respectively, of all governmental disbursements. General government also represents a significant cost, about 11 percent. The next two columns of the Statement entitled Program Cash 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 (Disbursements) Receipts column compares the program receipts to the cost of the service. This “net cost” amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3 below.

**(Table 3)
Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$ 203,288	(\$ 200,535)	\$ 218,105	(\$ 216,094)
Public Safety	640,911	(465,309)	640,405	(467,448)
Public Works	526,485	(346,094)	532,982	(355,121)
Health	320,996	(28,507)	276,645	27,716
Human Services	4,700	(4,700)	6,100	(6,100)
Conservation-Recreation	51,581	(51,581)	29,625	(29,625)
Other		11,735		12,000
Capital Outlay	122,603	(122,603)	95,645	(95,645)
Total Expenses	\$1,870,564	(\$1,207,594)	\$1,799,507	(\$1,130,317)

The dependence upon property tax receipts is apparent as almost 65 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$1,939,284 and disbursements of \$1,870,564. Total governmental funds increased \$77,705. The greatest change within governmental funds occurred in the Fire Fund with an increase of \$82,948.

General Fund total revenues were greater than total disbursements by \$5,040 indicating that the General Fund is maintaining itself. The Township did purchase a new dump truck with \$70,030 from the General Fund and the balance of \$40,000 from a Capital Projects Fund.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

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

During 2010, the Township amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected estate tax receipts. Amendments increasing original budget figures for property taxes and estate taxes and decreasing anticipated interest income were made.

Final disbursements and transfers were budgeted at \$656,860 while actual disbursements and transfers were \$564,838. Not all anticipated expenditures occurred.

Capital Assets

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

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited and shrinking funding. We rely heavily on local taxes. With the anticipated decreases in local government funding, the challenge will be even greater.

Contacting the Government's Financial Management

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

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$1,985,695
Total Assets	<u>1,985,695</u>
Net Assets:	
Restricted for:	
Capital Projects	119,000
Permanent Fund: For Improvements:	
Expendable	522
Non-expendable	500
Other Purposes	1,177,390
Unrestricted	688,283
Total Net Assets	<u>\$1,985,695</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u>
		<u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Total</u>
Governmental Activities:				
General Government	\$203,288	\$2,753		(\$200,535)
Public Safety	640,911		\$175,602	(465,309)
Public Works	526,485		180,391	(346,094)
Health	320,996	292,489		(28,507)
Human Services	4,700			(4,700)
Conservation-Recreation	51,581			(51,581)
Other		11,735		11,735
Capital Outlay	122,603			(122,603)
Total Governmental Activities	<u>\$1,870,564</u>	<u>\$306,977</u>	<u>\$355,993</u>	<u>(1,207,594)</u>
General Receipts:				
Property Taxes				\$967,330
Grants and Entitlements not Restricted to Specific Programs				281,593
Sale of Fixed Assets				8,325
Cable Franchise Fees				18,287
Earnings on Investments				5,232
Miscellaneous				3,872
Total General Receipts				<u>1,284,639</u>
Special Items				<u>660</u>
Total General Receipts and Special Items				<u>1,285,299</u>
Change in Net Assets				77,705
Net Assets Beginning of Year				<u>1,907,990</u>
Net Assets End of Year				<u>\$1,985,695</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$688,283	\$131,073	\$122,939	\$573,213	\$470,187	\$1,985,695
Total Assets	<u>688,283</u>	<u>131,073</u>	<u>122,939</u>	<u>573,213</u>	<u>470,187</u>	<u>1,985,695</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	24,729	4,259	7,110		25,000	61,098
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	663,554					663,554
Special Revenue Funds		126,814	115,829	573,213	325,165	1,141,021
Capital Projects Funds					119,000	119,000
Permanent Fund					1,022	1,022
Total Fund Balances	<u>\$688,283</u>	<u>\$131,073</u>	<u>\$122,939</u>	<u>\$573,213</u>	<u>\$470,187</u>	<u>\$1,985,695</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts:						
Property and Other Local Taxes	\$212,830	\$207,155		\$547,345		\$967,330
Licenses, Permits and Fees	21,040		\$168,200		\$18,689	207,929
Intergovernmental	281,593	67,068		175,602	113,322	637,585
Earnings on Investments	5,093				139	5,232
Miscellaneous	15,608		95,040		10,560	121,208
Total Receipts	<u>536,164</u>	<u>274,223</u>	<u>263,240</u>	<u>722,947</u>	<u>142,710</u>	<u>1,939,284</u>
Disbursements:						
Current:						
General Government	203,288					203,288
Public Safety	912			639,999		640,911
Public Works	121,291	278,764			126,430	526,485
Health	20,641		260,070		40,285	320,996
Human Services	4,700					4,700
Conservation-Recreation	51,581					51,581
Capital Outlay	80,867	611	1,125		40,000	122,603
Total Disbursements	<u>483,280</u>	<u>279,375</u>	<u>261,195</u>	<u>639,999</u>	<u>206,715</u>	<u>1,870,564</u>
Excess of Receipts Over (Under) Disbursements	<u>52,884</u>	<u>(5,152)</u>	<u>2,045</u>	<u>82,948</u>	<u>(64,005)</u>	<u>68,720</u>
Other Financing Sources (Uses):						
Sale of Fixed Assets	8,325					8,325
Transfers In					56,829	56,829
Transfers Out	(56,829)					(56,829)
Total Other Financing Sources (Uses)	<u>(48,504)</u>				<u>56,829</u>	<u>8,325</u>
Special Items	660					660
Net Change in Fund Balances	5,040	(5,152)	2,045	82,948	(7,176)	77,705
Fund Balances Beginning of Year	<u>683,243</u>	<u>136,225</u>	<u>120,894</u>	<u>490,265</u>	<u>477,363</u>	<u>1,907,990</u>
Fund Balances End of Year	<u>\$688,283</u>	<u>\$131,073</u>	<u>\$122,939</u>	<u>\$573,213</u>	<u>\$470,187</u>	<u>\$1,985,695</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$222,000	\$240,780	\$212,830	(\$27,950)
Licenses, Permits and Fees	28,000	28,000	21,040	(6,960)
Intergovernmental	151,007	246,507	281,593	35,086
Earnings on Investments	15,000	5,050	5,093	43
Miscellaneous	12,000	12,000	15,608	3,608
Total receipts	<u>428,007</u>	<u>532,337</u>	<u>536,164</u>	<u>3,827</u>
Disbursements:				
Current:				
General Government	242,907	244,707	210,831	33,876
Public Safety	4,000	4,000	912	3,088
Public Works	160,934	163,909	136,977	26,932
Health	21,700	21,700	20,641	1,059
Human Services	6,100	6,100	4,700	1,400
Conservation-Recreation	44,123	57,823	53,081	4,742
Capital Outlay	120,096	101,621	80,867	20,754
Total Disbursements	<u>599,860</u>	<u>599,860</u>	<u>508,009</u>	<u>91,851</u>
Excess of Receipts Over (Under) Disbursements	<u>(171,853)</u>	<u>(67,523)</u>	<u>28,155</u>	<u>95,678</u>
Other Financing Sources (Uses):				
Sale of Fixed Assets			8,325	8,325
Transfers Out	(57,000)	(57,000)	(56,829)	171
Total Other Financing Sources (Uses)	<u>(57,000)</u>	<u>(57,000)</u>	<u>(48,504)</u>	<u>8,496</u>
Special Items			660	660
Net Change in Fund Balance	(228,853)	(124,523)	(19,689)	104,834
Unencumbered Cash Balance Beginning of Year	631,396	631,396	631,396	
Prior Year Encumbrances Appropriated	<u>51,847</u>	<u>51,847</u>	<u>51,847</u>	
Unencumbered Cash Balance End of Year	<u>\$454,390</u>	<u>\$558,720</u>	<u>\$663,554</u>	<u>\$104,834</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$221,000	\$234,470	\$207,155	(\$27,315)
Intergovernmental	39,750	39,750	67,068	27,318
Total receipts	<u>260,750</u>	<u>274,220</u>	<u>274,223</u>	<u>3</u>
Disbursements:				
Current:				
Public Works	315,406	315,406	283,023	32,383
Capital Outlay	611	611	611	
Total Disbursements	<u>316,017</u>	<u>316,017</u>	<u>283,634</u>	<u>32,383</u>
Excess of Receipts Over (Under) Disbursements	<u>(55,267)</u>	<u>(41,797)</u>	<u>(9,411)</u>	<u>32,386</u>
Net Change in Fund Balance	(55,267)	(41,797)	(9,411)	32,386
Unencumbered Cash Balance Beginning of Year	131,972	131,972	131,972	
Prior Year Encumbrances Appropriated	<u>4,253</u>	<u>4,253</u>	<u>4,253</u>	
Unencumbered Cash Balance End of Year	<u>\$80,958</u>	<u>\$94,428</u>	<u>\$126,814</u>	<u>\$32,386</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Licenses, Permits and Fees	\$184,395	\$184,395	\$168,200	(\$16,195)
Miscellaneous	85,605	85,605	95,040	9,435
Total receipts	<u>270,000</u>	<u>270,000</u>	<u>263,240</u>	<u>(6,760)</u>
Disbursements:				
Current:				
Health	322,088	323,853	267,180	56,673
Capital Outlay	10,000	8,235	1,125	7,110
Total Disbursements	<u>332,088</u>	<u>332,088</u>	<u>268,305</u>	<u>63,783</u>
Excess of Receipts Over (Under) Disbursements	<u>(62,088)</u>	<u>(62,088)</u>	<u>(5,065)</u>	<u>57,023</u>
Net Change in Fund Balance	(62,088)	(62,088)	(5,065)	57,023
Unencumbered Cash Balance Beginning of Year	116,469	116,469	116,469	
Prior Year Encumbrances Appropriated	<u>4,425</u>	<u>4,425</u>	<u>4,425</u>	
Unencumbered Cash Balance End of Year	<u><u>\$58,806</u></u>	<u><u>\$58,806</u></u>	<u><u>\$115,829</u></u>	<u><u>\$57,023</u></u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$560,000	\$614,520	\$547,345	(\$67,175)
Intergovernmental	108,424	108,424	175,602	67,178
Total receipts	<u>668,424</u>	<u>722,944</u>	<u>722,947</u>	<u>3</u>
Disbursements				
Current:				
Public Safety	<u>651,000</u>	<u>651,000</u>	<u>639,999</u>	<u>11,001</u>
Net Change in Fund Balance	17,424	71,944	82,948	11,004
Unencumbered Cash Balance Beginning of Year	490,265	490,265	490,265	
Prior Year Encumbrances Appropriated				
Unencumbered Cash Balance End of Year	<u><u>\$507,689</u></u>	<u><u>\$562,209</u></u>	<u><u>\$573,213</u></u>	<u><u>\$11,004</u></u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

This discussion and analysis of Bath Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis of 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 2009 are as follows:

- Net assets of governmental activities increased \$ 189,187, 11 percent, during 2009. Budget stabilization measures account for a major portion of this increase.
- The Board of Trustees established two more capital project funds for the accumulation of monies to replace a dump truck in 2011 and erect a third mausoleum in 2018. A new salt storage facility was constructed and a Case loader/extendahoe purchased.
- The 7.0 mill replacement levy for the Fire Fund passed in November.
- Property taxes represent 74 percent of general receipts and 49 percent of total receipts. General receipts decreased \$77,021, 5.5 percent, largely due to a decrease in tangible personal property tax receipts and the decline in interest rates for certificates of deposit.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

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

Reporting Bath Township's Most Significant Funds

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

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Cemetery Fund, and the Fire Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2009	2008
Assets:		
Cash and Cash Equivalents	\$1,907,990	\$1,718,803
Total Assets	<u>1,907,990</u>	<u>1,718,803</u>
Net Assets:		
Restricted for:		
Capital Projects	114,000	29,000
Permanent: For Improvement		
Expendable	517	500
Non Expendable	500	500
Other Purposes	1,109,730	981,212
Unrestricted	683,243	707,591
Total Net Assets	<u>\$1,907,990</u>	<u>\$1,718,803</u>

As mentioned previously, net assets of governmental activities increased \$ 189,187 or 11 percent during 2009. Budget stabilization measures account for a major portion of this increase. The Township established two more capital project funds. The capital project funds increased by \$85,000, the Byron Cemetery Perpetual Care Fund increased by \$31,495, and the Accumulated Vacation/Sick Leave Termination Benefit Fund increased by \$10,000.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities.

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

	Governmental Activities	
	2009	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 318,372	\$ 346,597
Operating Grants and Contributions	350,818	322,209
Total Program Receipts	<u>669,190</u>	<u>668,806</u>
General Receipts:		
Property Taxes	974,097	1,019,127
Grants and Entitlements Not Restricted to Specific Programs	300,434	314,457
Interest	14,727	41,099
Other	30,246	21,842
Total General Receipts	<u>1,319,504</u>	<u>1,396,525</u>
Total Receipts	<u>1,988,694</u>	<u>2,065,331</u>

(Continued)

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

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

	Governmental Activities	
	2009	2008
Disbursements:		
General Government	218,105	222,582
Public Safety	640,405	641,543
Public Works	532,982	479,902
Health	276,645	265,519
Human Services	6,100	4,000
Conservation-Recreation	29,625	32,246
Capital Outlay	95,645	148,349
Total Disbursements	<u>1,799,507</u>	<u>1,794,141</u>
Increase (Decrease) in Net Assets	189,187	271,190
Net Assets, January 1	<u>1,718,803</u>	<u>1,447,613</u>
Net Assets, December 31	<u>\$1,907,990</u>	<u>\$1,718,803</u>

Program receipts represent 33.6 percent of total receipts--16.0 percent of which is Charges for Services and Sales for cemetery sales and services, zoning fees, and community room rental. The remaining 17.6 percent is comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and public utility deregulation, personal property, and roll back and homestead reimbursements from the State.

Program receipts for Charges for Services and Sales decreased \$28,225, or 8.1 percent. While various program receipts fluctuated somewhat, the greatest decrease was in sales of crypts which were down \$24,350 from the previous year.

General receipts represent 66.4 percent of the Township's total receipts. Property taxes represent 74 percent of general receipts and 49 percent of total receipts. State grants and entitlements make up 23 percent of the Township's general receipts. Other receipts include cable franchise fees, interest, and miscellaneous receipts that are insignificant revenue sources.

General receipts decreased \$77,021, 5.5 percent, largely due to a decrease in Tangible Personal Property Tax receipts and the decline in interest rates for Certificates of Deposit.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the Board of Trustees, the Fiscal Officer, office staff and supplies, townhall maintenance, and zoning boards and inspection. These costs remain fairly constant and represent approximately 12 percent of total disbursements.

Public Safety includes the cost of fire protection and EMS. Disbursements for Public Safety represent 36 percent of total disbursements. Public Works, the cost of maintaining the roads, represents 30 percent of disbursements. Public Works expenditures were up approximately \$53,000, 11 percent, largely due to a bigger asphalt paving project this year.

Health includes disbursements to the County Health Department and cemetery operations and represents 15 percent of disbursements. Conservation-Recreation is the cost of maintaining the park. Capital Outlay includes construction of a salt storage facility costing \$43,427 and purchase of a Case loader/extendahoe for \$51,570.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works--accounting for 36 and 30 percent, respectively, of all governmental disbursements. General government also represents a significant cost, about 12 percent. The next two columns of the Statement of Activities entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3 below.

(Table 3)

Governmental Activities				
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 218,105	(\$ 216,094)	\$ 222,582	(\$ 217,765)
Public Safety	640,405	(467,448)	641,543	(491,351)
Public Works	532,982	(355,121)	479,902	(307,885)
Health	276,645	27,716	265,519	65,386
Human Services	6,100	(6,100)	4,000	(4,000)
Conservation-Recreation	29,625	(29,625)	32,246	(32,246)
Other		12,000		10,875
Capital Outlay	95,645	(95,645)	148,349	(148,349)
Total Expenses	\$1,799,507	(\$1,130,317)	\$1,794,141	(\$1,125,335)

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

The Township's Funds

Total governmental funds had receipts of \$1,987,925 and disbursements of \$1,799,507. Total governmental funds increased \$189,187. The greatest changes within governmental funds occurred in the Fire Levy Fund and Capital Project Funds. The Fire Fund balance increased \$89,351 and the total of all four Capital Project Funds taken together increased \$85,000.

General Fund total revenues were less than total disbursements by \$24,348 indicating that the General Fund is in a deficit spending situation. However, \$85,000 was transferred to Capital Project Funds in anticipation of future capital purchases.

**BATH TOWNSHIP
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

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

During 2009, the Township amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected estate tax receipts. Amendments increasing original budget figures for property taxes and decreasing anticipated interest income were also made.

Final disbursements and transfers were budgeted at \$721,664 while actual disbursements and transfers were \$634,197. Not all anticipated expenditures occurred.

Capital Assets

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

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes. The 7.0 mill replacement fire levy passed in November with over 73% of the votes. The 10.7 and 3.0 mill levies expired in 2009 and 2010 will be the last year for receipts from those two levies. Receipts from the new levy will begin in 2011.

Contacting the Township's Financial Management

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

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$1,907,990
Total Assets	1,907,990
Net Assets:	
Restricted for:	
Capital Projects	114,000
Permanent Fund: For Improvements:	
Expendable	517
Non-expendable	500
Other Purposes	1,109,730
Unrestricted	683,243
Total Net Assets	\$1,907,990

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total
Governmental Activities:				
General Government	\$218,105	\$2,011		(\$216,094)
Public Safety	640,405		\$172,957	(467,448)
Public Works	532,982		177,861	(355,121)
Health	276,645	304,361		27,716
Human Services	6,100			(6,100)
Conservation-Recreation	29,625			(29,625)
Other		12,000		12,000
Capital Outlay	95,645			(95,645)
Total Governmental Activities	\$1,799,507	\$318,372	\$350,818	(1,130,317)
General Receipts:				
Property Taxes				974,097
Grants and Entitlements not Restricted to Specific Programs				300,434
Cable Franchise Fees				25,817
Earnings on Investments				14,727
Miscellaneous				3,660
Total General Receipts				1,318,735
Special Items				769
Total General Receipts and Special Items				1,319,504
Change in Net Assets				189,187
Net Assets Beginning of Year				1,718,803
Net Assets End of Year				\$1,907,990

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$683,243	\$136,225	\$120,894	\$490,265	\$477,363	\$1,907,990
Total Assets	<u>683,243</u>	<u>136,225</u>	<u>120,894</u>	<u>490,265</u>	<u>477,363</u>	<u>1,907,990</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	51,847	4,253	4,425		63,826	124,351
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	631,396					631,396
Special Revenue Funds		131,973	116,469	490,265	338,519	1,077,226
Capital Projects Funds					74,000	74,000
Permanent Fund					1,017	1,017
Total Fund Balances	<u>\$683,243</u>	<u>\$136,226</u>	<u>\$120,894</u>	<u>\$490,265</u>	<u>\$477,362</u>	<u>\$1,907,990</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Road and Bridge</u>	<u>Cemetery</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receipts:						
Property and Other Local Taxes	\$210,016	\$210,167		\$553,914		\$974,097
Licenses, Permits and Fees	27,828		\$189,460		\$21,051	238,339
Intergovernmental	278,948	66,235		172,957	133,112	651,252
Earnings on Investments	14,108				619	14,727
Miscellaneous	15,660		84,465		9,385	109,510
Total Receipts	<u>546,560</u>	<u>276,402</u>	<u>273,925</u>	<u>726,871</u>	<u>164,167</u>	<u>1,987,925</u>
Disbursements:						
Current:						
General Government	218,105					218,105
Public Safety	2,885			637,520		640,405
Public Works	113,243	283,471			136,268	532,982
Health	21,168		255,477			276,645
Human Services	6,100					6,100
Conservation-Recreation	29,625					29,625
Capital Outlay	95,165		480			95,645
Total Disbursements	<u>486,291</u>	<u>283,471</u>	<u>255,957</u>	<u>637,520</u>	<u>136,268</u>	<u>1,799,507</u>
Excess of Receipts Over (Under) Disbursements	<u>60,269</u>	<u>(7,069)</u>	<u>17,968</u>	<u>89,351</u>	<u>27,899</u>	<u>188,418</u>
Other Financing Sources (Uses):						
Transfers In	10,673	7,035	3,778		96,059	117,545
Transfers Out	(96,059)				(21,486)	(117,545)
Advances In	44,155			44,155		88,310
Advances Out	(44,155)			(44,155)		(88,310)
Total Other Financing Sources (Uses)	<u>(85,386)</u>	<u>7,035</u>	<u>3,778</u>		<u>74,573</u>	
Special Items	769					769
Net Change in Fund Balances	(24,348)	(34)	21,746	89,351	102,472	189,187
Fund Balances Beginning of Year	<u>707,591</u>	<u>136,260</u>	<u>99,148</u>	<u>400,914</u>	<u>374,890</u>	<u>1,718,803</u>
Fund Balances End of Year	<u>\$683,243</u>	<u>\$136,226</u>	<u>\$120,894</u>	<u>\$490,265</u>	<u>\$477,362</u>	<u>\$1,907,990</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$230,000	\$238,124	\$210,016	(\$28,108)
Licenses, Permits and Fees	23,000	23,000	27,828	4,828
Intergovernmental	177,648	225,648	278,948	53,300
Earnings on Investments	35,000	20,000	14,108	(5,892)
Miscellaneous	10,500	10,500	15,660	5,160
Total receipts	<u>476,148</u>	<u>517,272</u>	<u>546,560</u>	<u>29,288</u>
Disbursements:				
Current:				
General Government	260,246	260,846	223,356	37,490
Public Safety	2,000	2,985	2,885	100
Public Works	156,722	167,557	128,243	39,314
Health	22,000	22,000	21,168	832
Human Services	4,000	6,100	6,100	
Conservation-Recreation	37,904	38,624	31,125	7,499
Capital Outlay	177,570	126,330	125,261	1,069
Total Disbursements	<u>660,442</u>	<u>624,442</u>	<u>538,138</u>	<u>86,304</u>
Excess of Receipts Over (Under) Disbursements	<u>(184,294)</u>	<u>(107,170)</u>	<u>8,422</u>	<u>115,592</u>
Other Financing Sources (Uses):				
Transfers In	10,672	10,672	10,673	
Transfers Out	(41,222)	(97,222)	(96,059)	1,163
Advances In			44,155	44,155
Advances Out			(44,155)	(44,155)
Total Other Financing Sources (Uses)	<u>(30,550)</u>	<u>(86,550)</u>	<u>(85,386)</u>	<u>1,163</u>
Special Items			<u>769</u>	<u>770</u>
Net Change in Fund Balance	(214,844)	(193,720)	(76,195)	117,525
Unencumbered Cash Balance Beginning of Year	645,859	645,859	645,859	
Prior Year Encumbrances Appropriated	<u>61,732</u>	<u>61,732</u>	<u>61,732</u>	
Unencumbered Cash Balance End of Year	<u>\$492,747</u>	<u>\$513,871</u>	<u>\$631,396</u>	<u>\$117,525</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$228,000	\$237,649	\$210,167	(\$27,482)
Intergovernmental	31,008	31,008	66,235	35,227
Total receipts	<u>259,008</u>	<u>268,657</u>	<u>276,402</u>	<u>7,745</u>
Disbursements:				
Current:				
Public Works	292,765	293,765	287,113	6,652
Capital Outlay	5,611	4,611	611	4,000
Total Disbursements	<u>298,376</u>	<u>298,376</u>	<u>287,724</u>	<u>10,652</u>
Excess of Receipts Over (Under) Disbursements	<u>(39,368)</u>	<u>(29,719)</u>	<u>(11,322)</u>	<u>18,397</u>
Other Financing Sources (Uses):				
Transfers In	7,035	7,035	7,035	
Net Change in Fund Balance	(32,333)	(22,684)	(4,287)	18,397
Unencumbered Cash Balance Beginning of Year	127,560	127,560	127,560	
Prior Year Encumbrances Appropriated	<u>8,699</u>	<u>8,699</u>	<u>8,699</u>	
Unencumbered Cash Balance End of Year	<u>\$103,926</u>	<u>\$113,575</u>	<u>\$131,972</u>	<u>\$18,397</u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Licenses, Permits and Fees	\$174,395	\$174,395	\$189,460	\$15,065
Miscellaneous	75,605	75,605	84,465	8,860
Total receipts	<u>250,000</u>	<u>250,000</u>	<u>273,925</u>	<u>23,925</u>
Disbursements:				
Current:				
Health	269,912	281,622	259,902	21,720
Capital Outlay	15,000	3,290	480	2,810
Total Disbursements	<u>284,912</u>	<u>284,912</u>	<u>260,382</u>	<u>24,530</u>
Excess of Receipts Over (Under) Disbursements	<u>(34,912)</u>	<u>(34,912)</u>	<u>13,543</u>	<u>48,455</u>
Other Financing Sources (Uses):				
Transfers In	<u>3,778</u>	<u>3,778</u>	<u>3,778</u>	
Net Change in Fund Balance	(31,134)	(31,134)	17,321	48,455
Unencumbered Cash Balance Beginning of Year	94,946	94,946	94,946	
Prior Year Encumbrances Appropriated	<u>4,202</u>	<u>4,202</u>	<u>4,202</u>	
Unencumbered Cash Balance End of Year	<u><u>\$68,014</u></u>	<u><u>\$68,014</u></u>	<u><u>\$116,469</u></u>	<u><u>\$48,455</u></u>

See accompanying notes to the basic financial statements.

**BATH TOWNSHIP
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
Property and Other Local Taxes	\$600,000	\$621,518	\$553,914	(\$67,604)
Intergovernmental	81,498	81,498	172,957	91,459
Total receipts	<u>681,498</u>	<u>703,016</u>	<u>726,871</u>	<u>23,855</u>
Disbursements:				
Current:				
Public Safety	<u>651,500</u>	<u>651,500</u>	<u>637,520</u>	<u>13,980</u>
Excess of Receipts Over (Under) Disbursements	<u>29,998</u>	<u>51,516</u>	<u>89,351</u>	<u>37,835</u>
Other Financing Sources (Uses):				
Advances In			44,155	44,155
Advances Out			<u>(44,155)</u>	<u>(44,155)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	29,998	51,516	89,351	37,835
Unencumbered Cash Balance Beginning of Year	400,914	400,914	400,914	
Unencumbered Cash Balance End of Year	<u>\$430,912</u>	<u>\$452,430</u>	<u>\$490,265</u>	<u>\$37,835</u>

See accompanying notes to the basic financial statements

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

1. REPORTING ENTITY

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, including maintenance of Township roads and cemeteries. The Township contracts with the City of Fairborn for EMS and fire protection. Police protection is provided by the Greene County Sheriff. The Township has no component units. Component units are legally separate organizations for which a township is financially accountable.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

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

B. Fund Accounting

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

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township has four major governmental funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

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

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

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

E. Cash and Investments

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

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

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

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited to the General Fund during 2010 and 2009 were \$5,093 and \$14,108, respectively, which includes interest assigned from other Township funds.

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has no restricted assets.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The majority of net assets restricted for other purposes include resources restricted for the Fire, Road and Bridge, and Gas Tax Funds. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

K. Fund Balances Reserves

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

L. Interfund Transactions

Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

M. Interfund Receivables/Payables

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

N. Employer Contributions to Cost-Sharing Pension Plans

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General fund, Road and Bridge fund, Cemetery fund and the Fire Levy fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are: outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at 2010 year end (budgetary basis) amounted to \$24,729 for the general fund; \$4,259 for the road and bridge fund; and \$7,110 for the cemetery fund. The encumbrances outstanding at 2009 year end (budgetary basis) amounted to \$51,847 for the general fund; \$4,253 for the road and bridge fund; and \$4,425 for the cemetery fund.

4. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

4. CASH AND CASH EQUIVALENTS (Continued)

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

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

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 2010 and 2009, \$1,775,163 and \$1,694,247, respectively of the Township's bank balances of \$2,026,163 and \$1,944,247, respectively were exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

5. PROPERTY TAXES

Property taxes include amounts levied against all real property located in the Township. Property tax receipts received in 2009 (2010) for real and public utility property taxes represent collections of the 2008 (2009) taxes.

2009 (2010) real property taxes are levied after October 1, 2009 (2010) on the assessed values as of January 1, 2009 (2010), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 (2010) real property taxes are collected in and intended to finance 2010 (2011).

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

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

5. PROPERTY TAXES (Continued)

Tangible personal property assessments are being phased out.

The full tax rate for all Township operations for the years ended December 31, 2009 and 2010, was \$13.60 per \$1,000 of assessed value. For the unincorporated area of the Township the assessed values of real property, public utility property, and tangible personal property upon which 2010 and 2009 property tax receipts were based are as follows:

	2010	2009
Real Property:		
Residential/Agricultural	\$73,380,880	\$73,456,050
Commercial/Industrial	20,722,720	15,757,440
Public Utility:		
Real	61,450	62,540
Personal	3,847,810	3,681,550
Tangible Personal	245,120	482,510
Total Assessed Value	\$98,257,980	\$93,440,090

6. CAPITAL ASSETS

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

7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. Since September 1, 2006, the Township has contracted with Ohio Plan Risk Management, Inc. for property and casualty insurance. As of December 31, 2010, the Township had the following types of coverage:

Company	Type of Coverage	Amount of Coverage
Ohio Plan Risk Management, Inc.	Building & Personal Property	\$2,118,255
	General Liability	5,000,000
	Commercial Crime	25,000
	Inland Marine	694,463
	Vehicle	5,000,000
	Public Officials	5,000,000
	Fidelity Bonds, Trustees	25,000
Auto-Owners Insurance Co.	Fidelity Bonds	5,000
Selective Insurance Co.	Fidelity Bond, Fiscal Officer	160,000

Settled claims have not exceeded coverage in any of the last three years and there was an increase in Building and Personal Property coverage from the prior year to update actual values.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

7. RISK MANAGEMENT (Continued)

Prior to 2009, the Government belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

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

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Township participates in this coverage. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan also formed the Ohio Plan Healthcare Consortium, as authorized by Section 9.833 of the Ohio Revised Code. The Township does not participate in this coverage.

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

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

The Plan's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009, and include amounts for OPRM and OPCH.

	2010		2011	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members' Equity	7,191,485	300,035	6,323,701	105,185

You can read the complete audited financial statements for Ohio Plan Risk Management, Inc. at the Plan's website, www.ohioplan.org

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

7. RISK MANAGEMENT (Continued)

The Township pays the State Workers' Compensation System a premium based on a rate of 0.022863 per \$1.00 of salaries for 2010. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims. The Township is a member of the Avizent/Frank Gates Service Company group rating plan.

The Township participates in the Ohio Public Entity Consortium (OPEC) Funding Plan in order to save premium costs while continuing to provide like benefit. The OPEC Funding Plan design keeps the majority of risk for office visit, emergency room, urgent care, prescriptions, diagnostic, X-ray and laboratory with the insurance carrier. For the Major Medical claims a higher deductible is implemented to save premium costs and the savings is used to fund benefits back to current levels.

In Bath Township's case, to purchase a fully insured plan would cost approximately \$204,120 annually. The Funded Plan premium cost is \$151,200, a savings of \$52,900 annually. While the maximum exposure is \$52,900 most plans perform at a 25% of maximum exposure utilization level. Specifically in Bath Township's case, 2010 payout was \$11,129.94 resulting in a \$41,770.06 savings.

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

For the years ended December 31, 2009 and 2010, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.00% of their annual covered salaries. The Township's contribution rate for pension benefits for 2009 and 2010 was 14.00%. The Township has no Public Safety or Law Enforcement personnel. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$66,469, \$66,693, and \$66,958 respectively. The full amount has been contributed for 2010, 2009, and 2008. There were no member-directed plans.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

9. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment healthcare benefits. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010.

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

The Township's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$4,653, \$4,669 and \$4,687, respectively; 100 percent has been contributed for 2010, 2009, and 2008.

**BATH TOWNSHIP
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Continued)**

10. INTERFUND TRANSFERS and ADVANCES

During 2010 and 2009 the following General Fund transfers were made:

	<u>2010</u>	<u>2009</u>
Transfers from the General Fund to:		
Other Governmental Funds	\$56,829	\$96,059
Transfers from the FEMA Fund to:		
General Fund		10,673
Road and Bridge Fund		7,035
Cemetery Fund		3,778
Total Transfers from the FEMA Fund		\$21,486

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. 2009 transfers were made to Byron Cemetery Perpetual Care Fund in the amount of \$1,059 and represent interest earned on Certificates of Deposit that included the fund's monies, \$10,000 to Accumulated Vacation/Sick Leave Termination Benefits to match the projected outlay, and \$85,000 to Capital Projects Funds for the purchase of dump trucks in 2011, 2013, and 2017, and a mausoleum in 2018.

In 2010 transfers from the General Fund include: \$829 to Byron Cemetery Perpetual Care Fund; \$11,000 to Accumulated Vacation/Sick Leave Termination Benefits; and \$45,000 to Capital Projects Funds for the purchase of dump trucks in 2013 and 2017 and a mausoleum in 2018.

Transfers to the General Fund, Road and Bridge Fund, and the Cemetery Fund in 2009 represent FEMA receipts that are transferred to the funds from which original disbursements were made.

In 2009 an advance was made from the General Fund to the Fire Fund for \$44,155 until a Certificate of Deposit matured. An advance is a temporary loan usually from the General Fund to another fund which is going to be repaid.

11. CONSTRUCTION AND CONTRACTUAL COMMITMENTS

For the years 2009 and 2010, the Township had no major construction commitments. The Township does have a five-year contract with the City of Fairborn for EMS and fire protection that will expire December 31, 2011. The cost of these services is \$625,000 annually.

12. SUBSEQUENT EVENTS

In January 2011, the Township purchased with Cemetery funds a vacant property in Byron Village adjoining the rear north parcel of Byron Cemetery. This land will allow for another entrance to the cemetery at some future date.

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Dave Yost • Auditor of State

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

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bath Township, Greene County, (the Township) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 17, 2011 wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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 matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated November 17, 2011.

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

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

Dave Yost
Auditor of State

November 17, 2011



Dave Yost • Auditor of State

BATH TOWNSHIP

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 15, 2011**