

BATH TOWNSHIP

SUMMIT COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Trustees
Bath Township
3864 W. Bath Road
Bath, Ohio 44210

We have reviewed the *Independent Auditor's Report* of Bath Township, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Bath Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 28, 2009

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BATH TOWNSHIP
SUMMIT COUNTY, OHIO
Audit Report
For the year ended December 31, 2008

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Bath Township
Summit County
3864 W. Bath Road
P.O. Box 1188
Bath, Ohio 44210-1188

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, Summit County, Ohio, (the Township), as of and for the year ended December 31, 2008, 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 an opinion on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the modified 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Bath Township, Summit County, Ohio, as of December 31, 2008, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, the Police District Fund, the Fire District Fund, Joint Economic Development Fund I and the Joint Economic Development Fund II thereof for the year then ended in conformity with accounting basis Note 2 describes.

The management's discussion and analysis on pages 3 to 8 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2009 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

Charles E. Harris & Associates, Inc.

March 12, 2009

Bath Township, Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

Highlights

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$1.5 million, or 15 percent, from the prior year.

The Township's general receipts are primarily property and other local taxes. These receipts represent 93 percent of the total cash received for governmental activities during the year. Property and other local tax receipts for 2008 changed very little compared to 2007 as development within the Township has slowed.

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

As a result of using the modified 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 modified cash basis of accounting.

Bath Township, Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified 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 are 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 nonfinancial factors as well such as the Township's property tax base, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township's basic services are reported as governmental activities, including police, fire, streets and parks. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government'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 which is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) are combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, and Joint Economic Development Funds I and II. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. There is no reconciliation between the two reports as the Township reports on the modified cash basis.

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

Bath Township, Summit County
 Management's Discussion and Analysis
 For the Year Ended December 31, 2008
 Unaudited

The Township as a Whole

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

(Table 1)
Net Assets

	Governmental Activities 2008	Governmental Activities 2007
Assets		
Cash and Cash Equivalents	\$ 8,511,077	\$ 7,080,361
Investments	3,641,789	3,529,031
Total Assets	12,152,866	10,609,392
Net Assets		
Restricted for:		
Capital Projects	542,487	290,720
Debt Service	18,511	19,958
Other Purposes	8,041,367	7,538,295
Permanent Fund- Wilson Memorial		
Expendable	12,857	10,934
Nonexpendable	100,000	100,000
Unrestricted	3,437,644	2,649,485
Total Net Assets	\$ 12,152,866	\$ 10,609,392

* Cash equivalents are investments which can be quickly converted to cash.

Total assets increased by \$1.5 million, mainly due to a larger increase in receipts versus disbursements.

Bath Township, Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 reflects the changes in net assets in 2008:

(Table 2)
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007
	<u>2008</u>	<u>2007</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 695,910	\$ 700,484
Operating Grants and Contributions	33,487	1,113,086
Capital Grants and Contributions	-	184,010
Total Program Receipts	<u>729,397</u>	<u>1,997,580</u>
General Receipts:		
Property and Other Local Taxes	7,234,424	6,719,655
Grants and Entitlements Not Restricted to Specific Programs	2,651,465	1,275,790
Sale of Capital Assets	21,489	28,670
Interest	351,269	529,564
Miscellaneous	118,529	302,637
Total General Receipts	<u>10,377,176</u>	<u>8,856,316</u>
Total Receipts	<u>11,106,573</u>	<u>10,853,896</u>
Disbursements:		
General Government	1,118,360	1,060,203
Public Safety	4,679,514	4,321,898
Public Works	1,821,981	1,807,181
Health	681,569	684,599
Human Services	-	165
Conservation-Recreation	316,135	278,558
Other	7,076	20,389
Capital Outlay	621,714	714,596
Debt Service		
Principal Retirement	48,649	51,309
Interest and Fiscal Charges	268,101	265,441
Total Disbursements	<u>9,563,099</u>	<u>9,204,339</u>
Increase (Decrease) in Net Assets	1,543,474	1,649,557
Net Assets Beginning of Year	<u>10,609,392</u>	<u>8,959,835</u>
Net Assets End of Year	<u>\$ 12,152,866</u>	<u>\$ 10,609,392</u>

Program receipts represent only 7 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as false alarm fees, building permits and inspection fees.

General receipts represent 93 percent of the Township's total receipts, and of this amount, over 70 percent are local taxes. Grants and entitlements make up the bulk of the Township's other general receipts. Other receipts are somewhat insignificant and somewhat unpredictable revenue sources.

Bath Township, Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

Public Safety represents the costs of police and fire/EMS protection; health is the health department and solid waste removal; conservation - recreation is the cost of maintaining the parks and playing fields; and public works is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety and public works which account for 49 and 19 percent of all governmental disbursements, respectively. General government, which includes zoning, also represents a significant cost, about 12 percent. The next three columns of the Statement entitled Program Receipts identify (1) amounts paid by people who are directly charged for the service, and (2) grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2008		2007	
General Government	\$ 1,118,360	\$ (1,003,040)	\$ 1,060,203	\$ (942,903)
Public Safety	4,679,514	(4,549,936)	4,321,898	(3,783,785)
Public Works	1,821,981	(1,821,631)	1,807,181	(1,304,913)
Health	681,569	(211,560)	684,599	(208,270)
Human Services	-	-	165	(165)
Conservation-Recreation	316,135	(301,995)	278,558	14,307
Other	7,076	(7,076)	20,389	9,639
Capital Outlay	621,714	(621,714)	714,596	(673,919)
Debt Service				
Principal Retirement	48,649	(48,649)	51,309	(51,309)
Interest and Fiscal Charges	268,101	(268,101)	265,441	(265,441)
Total Expenses	<u>\$ 9,563,099</u>	<u>\$ (8,833,702)</u>	<u>\$ 9,204,339</u>	<u>\$ (7,206,759)</u>

The dependence upon property tax receipts is apparent as over 92 percent of governmental activities are supported through these general receipts.

Bath Township, Summit County
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Township's Funds

Total governmental funds had receipts of \$11.2 million and disbursements of \$9.7 million. Total fund balances increased by \$1.5 million, with the largest increase in the General Fund.

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 (money ear-marked for disbursement). The most significant budgeted fund is the General Fund.

During 2008, the Township amended its General Fund budget to reflect changing circumstances. For 2008 actual receipts were greater than budgeted receipts.

Final disbursements were budgeted at \$4.2 million while actual disbursements were \$2.2 million. The Township kept the expenditures well below the budgeted levels as shown by the large variance.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently report its capital assets and infrastructure. "Capital assets" include long-lived, costly items such as buildings, cars, trucks and equipment. The Township schedules the useful life of capital assets such as cars, trucks and equipment and saves for replacements over their useful lives. Buildings are on regular maintenance schedules. "Infrastructure" represents immovable, common capital assets such as roads, bridges, tennis courts, and street lights. These assets are also covered by maintenance schedules designed to avoid decline or decay, and the subsequent need for early replacement.

Debt

At December 31, 2008, the Township's outstanding debt included \$2,235,000 in general obligation bonds issued for the Bath Nature Preserve project. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

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 and have chosen to limit commercial activity to support the tax base.

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 Sharon Troike, Fiscal Officer, 3864 W. Bath Road, Bath, Ohio 44210.

Bath Township, Summit County
Statement of Net Assets - Modified Cash Basis
December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 8,511,077
Investments	3,641,789
<i>Total Assets</i>	\$ 12,152,866
 Net Assets	
Restricted for:	
Capital Projects	\$ 542,487
Debt Service	18,511
Other Purposes	8,041,367
Permanent Funds - Wilson Trust:	
Expendable	12,857
Nonexpendable	100,000
Unrestricted	3,437,644
<i>Total Net Assets</i>	\$ 12,152,866

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2008

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 1,118,360	\$ 115,320	-	\$ (1,003,040)
Public Safety	4,679,514	107,591	\$ 21,987	(4,549,936)
Public Works	1,821,981	350	-	(1,821,631)
Health	681,569	470,009	-	(211,560)
Conservation-Recreation	316,135	2,640	11,500	(301,995)
Other	7,076	-	-	(7,076)
Capital Outlay	621,714	-	-	(621,714)
Debt Service				
Principal Retirement	48,649	-	-	(48,649)
Interest and Fiscal Charges	268,101	-	-	(268,101)
<i>Total Governmental Activities</i>	<u>\$ 9,563,099</u>	<u>\$ 695,910</u>	<u>\$ 33,487</u>	<u>(8,833,702)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				1,173,992
Debt Service				281,970
Special Purposes				5,778,462
Grants and Entitlements not Restricted to				
Specific Programs				2,651,465
Sale of Capital Assets				21,489
Interest				351,269
Miscellaneous				118,529
<i>Total General Receipts</i>				<u>10,377,176</u>
Change in Net Assets				1,543,474
<i>Net Assets Beginning of Year</i>				<u>10,609,392</u>
<i>Net Assets End of Year</i>				<u>\$ 12,152,866</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Modified Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2008

	General	Road and Bridge Fund	Police District Fund	Fire District Fund	JEDD I Fund	JEDD II Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 3,437,644	\$ 432,188	\$ 581,916	\$ 371,695	\$ 2,603,858	\$ 951	\$ 1,082,825	\$ 8,511,077
Investments	-	-	-	-	-	3,641,789	-	3,641,789
Total Assets	<u>\$ 3,437,644</u>	<u>\$ 432,188</u>	<u>\$ 581,916</u>	<u>\$ 371,695</u>	<u>\$ 2,603,858</u>	<u>\$ 3,642,740</u>	<u>\$ 1,082,825</u>	<u>\$ 12,152,866</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	\$ 78,022	\$ 137,307	\$ 54,760	\$ 40,574	-	-	\$ 55,514	\$ 366,177
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	3,359,622	-	-	-	-	-	-	3,359,622
Special Revenue Funds	-	294,881	527,156	331,121	\$ 2,603,858	\$ 3,642,740	387,329	7,787,085
Debt Service Fund	-	-	-	-	-	-	18,511	18,511
Capital Projects Funds	-	-	-	-	-	-	508,614	508,614
Permanent Fund	-	-	-	-	-	-	112,857	112,857
Total Fund Balances	<u>\$ 3,437,644</u>	<u>\$ 432,188</u>	<u>\$ 581,916</u>	<u>\$ 371,695</u>	<u>\$ 2,603,858</u>	<u>\$ 3,642,740</u>	<u>\$ 1,082,825</u>	<u>\$ 12,152,866</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2008

	General	Road and Bridge Fund	Police District Fund	Fire District Fund	JEDD I Fund	JEDD II Fund	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$ 1,173,992	\$ 1,487,839	\$ 2,330,155	\$ 1,588,325	-	-	\$ 653,814	\$ 7,234,125
Charges for Services	141	-	-	-	-	-	587,689	587,830
Licenses, Permits and Fees	82,730	350	-	-	-	-	2,640	85,720
Fines and Forfeitures	15,250	-	6,950	-	-	-	160	22,360
Intergovernmental	1,214,589	200,208	315,078	212,910	\$ 250,000	-	492,167	2,684,952
Special Assessments	-	-	-	-	-	-	299	299
Interest	170,352	-	-	-	68,749	\$ 107,994	4,174	351,269
Other	49,764	447	1,387	2,382	-	-	4,792	58,772
<i>Total Receipts</i>	<u>2,706,818</u>	<u>1,688,844</u>	<u>2,653,570</u>	<u>1,803,617</u>	<u>318,749</u>	<u>107,994</u>	<u>1,745,735</u>	<u>11,025,327</u>
Disbursements								
Current:								
General Government	1,074,110	-	-	-	-	-	44,250	1,118,360
Public Safety	378,793	-	2,725,895	1,523,416	-	-	51,410	4,679,514
Public Works	7,490	1,602,909	-	-	-	-	211,582	1,821,981
Health	210,912	-	-	-	-	-	470,657	681,569
Conservation-Recreation	-	-	-	-	-	-	316,135	316,135
Other	445	-	-	-	-	-	6,631	7,076
Capital Outlay	177,605	34,439	90,853	82,379	-	-	236,438	621,714
Debt Service:								
Principal Retirement	-	-	-	-	-	-	48,649	48,649
Interest and Fiscal Charges	-	-	-	-	-	-	268,101	268,101
<i>Total Disbursements</i>	<u>1,849,355</u>	<u>1,637,348</u>	<u>2,816,748</u>	<u>1,605,795</u>	<u>-</u>	<u>-</u>	<u>1,653,853</u>	<u>9,563,099</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>857,463</u>	<u>51,496</u>	<u>(163,178)</u>	<u>197,822</u>	<u>318,749</u>	<u>107,994</u>	<u>91,882</u>	<u>1,462,228</u>
Other Financing Sources (Uses)								
Sale of Capital Assets	17,939	-	-	-	-	-	3,550	21,489
Transfers In	-	-	-	-	-	-	147,000	147,000
Transfers Out	(147,000)	-	-	-	-	-	-	(147,000)
Other Financing Sources	59,757	-	-	-	-	-	-	59,757
<i>Total Other Financing Sources (Uses)</i>	<u>(69,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,550</u>	<u>81,246</u>
<i>Net Change in Fund Balances</i>	<u>788,159</u>	<u>51,496</u>	<u>(163,178)</u>	<u>197,822</u>	<u>318,749</u>	<u>107,994</u>	<u>242,432</u>	<u>1,543,474</u>
<i>Fund Balances Beginning of Year</i>	<u>2,649,485</u>	<u>380,692</u>	<u>745,094</u>	<u>173,873</u>	<u>2,285,109</u>	<u>3,534,746</u>	<u>840,393</u>	<u>10,609,392</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,437,644</u>	<u>\$ 432,188</u>	<u>\$ 581,916</u>	<u>\$ 371,695</u>	<u>\$ 2,603,858</u>	<u>\$ 3,642,740</u>	<u>\$ 1,082,825</u>	<u>\$ 12,152,866</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 1,113,299	\$ 1,133,198	\$ 1,173,992	\$ 40,794
Charges for Services	82	82	141	59
Licenses, Permits and Fees	48,291	48,291	82,730	34,439
Fines and Forfeitures	8,902	8,902	15,250	6,348
Intergovernmental	708,984	708,984	1,214,589	505,605
Interest	99,439	99,439	170,352	70,913
Other	29,048	29,048	49,764	20,716
<i>Total receipts</i>	<u>2,008,045</u>	<u>2,027,944</u>	<u>2,706,818</u>	<u>678,874</u>
Disbursements				
Current:				
General Government	1,983,693	1,983,693	1,152,132	831,561
Public Safety	766,365	766,365	378,793	387,572
Public Works	9,771	9,771	7,490	2,281
Health	418,653	418,653	210,912	207,741
Conservation-Recreation	8,972	8,972	-	8,972
Other	444,912	444,912	445	444,467
Capital Outlay	415,140	415,140	177,605	237,535
<i>Total Disbursements</i>	<u>4,047,506</u>	<u>4,047,506</u>	<u>1,927,377</u>	<u>2,120,129</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,039,461)	(2,019,562)	779,441	2,799,003
Other Financing Sources (Uses)				
Sale of Capital Assets	8,375	8,375	17,939	9,564
Transfers Out	(147,000)	(147,000)	(147,000)	-
Other Financing Sources	34,882	34,882	59,757	24,875
<i>Total Other Financing Sources (Uses)</i>	<u>(103,743)</u>	<u>(103,743)</u>	<u>(69,304)</u>	<u>34,439</u>
<i>Net Change in Fund Balance</i>	(2,143,204)	(2,123,305)	710,137	2,833,442
<i>Fund Balance Beginning of Year</i>	2,576,919	2,576,919	2,576,919	-
Prior Year Encumbrances Appropriated	72,566	72,566	72,566	-
<i>Fund Balance End of Year</i>	<u>\$ 506,281</u>	<u>\$ 526,180</u>	<u>\$ 3,359,622</u>	<u>\$ 2,833,442</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,608,926	\$ 1,639,953	\$ 1,487,839	\$ (152,114)
Licenses, Permits and Fees	-	-	350	350
Intergovernmental	55,490	55,490	200,208	144,718
Other	-	-	447	447
<i>Total receipts</i>	<u>1,664,416</u>	<u>1,695,443</u>	<u>1,688,844</u>	<u>(6,599)</u>
Disbursements				
Current:				
Public Works	1,960,906	1,960,906	1,740,216	220,690
Capital Outlay	40,300	40,300	34,439	5,861
<i>Total Disbursements</i>	<u>2,001,206</u>	<u>2,001,206</u>	<u>1,774,655</u>	<u>226,551</u>
<i>Net Change in Fund Balance</i>	(336,790)	(305,763)	(85,811)	219,952
<i>Fund Balance Beginning of Year</i>	336,789	336,789	336,789	-
Prior Year Encumbrances Appropriated	43,903	43,903	43,903	-
<i>Fund Balance End of Year</i>	<u>\$ 43,902</u>	<u>\$ 74,929</u>	<u>\$ 294,881</u>	<u>\$ 219,952</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 2,507,583	\$ 2,557,397	\$ 2,330,155	\$ (227,242)
Fines and Forfeitures	2,095	2,095	6,950	4,855
Intergovernmental	94,991	94,991	315,078	220,087
Other	418	418	1,387	969
<i>Total receipts</i>	<u>2,605,087</u>	<u>2,654,901</u>	<u>2,653,570</u>	<u>(1,331)</u>
Disbursements				
Current:				
Public Safety	3,167,702	3,167,702	2,780,655	387,047
Capital Outlay	115,299	115,299	90,853	24,446
<i>Total Disbursements</i>	<u>3,283,001</u>	<u>3,283,001</u>	<u>2,871,508</u>	<u>411,493</u>
<i>Net Change in Fund Balance</i>	(677,914)	(628,100)	(217,938)	410,162
<i>Fund Balance Beginning of Year</i>	678,909	678,909	678,909	-
Prior Year Encumbrances Appropriated	66,185	66,185	66,185	-
<i>Fund Balance End of Year</i>	<u>\$ 67,180</u>	<u>\$ 116,994</u>	<u>\$ 527,156</u>	<u>\$ 410,162</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 1,677,737	\$ 1,745,533	\$ 1,588,325	\$ (157,208)
Intergovernmental	62,715	62,715	212,910	150,195
Other	702	702	2,382	1,680
<i>Total receipts</i>	1,741,154	1,808,950	1,803,617	(5,333)
Disbursements				
Current:				
Public Safety	1,747,247	1,747,247	1,563,990	183,257
Capital Outlay	119,750	119,750	82,379	37,371
<i>Total Disbursements</i>	1,866,997	1,866,997	1,646,369	220,628
<i>Net Change in Fund Balance</i>	(125,843)	(58,047)	157,248	215,295
<i>Fund Balance Beginning of Year</i>	125,852	125,852	125,852	-
Prior Year Encumbrances Appropriated	48,021	48,021	48,021	-
<i>Fund Balance End of Year</i>	\$ 48,030	\$ 115,826	\$ 331,121	\$ 215,295

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
JEDD I Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ -	\$ -	\$ 250,000	\$ 250,000
Interest	-	-	68,749	68,749
<i>Total receipts</i>	-	-	318,749	318,749
<i>Net Change in Fund Balance</i>	-	-	318,749	318,749
<i>Fund Balance Beginning of Year</i>	\$ 2,285,109	\$ 2,285,109	2,285,109	-
<i>Fund Balance End of Year</i>	\$ 2,285,109	\$ 2,285,109	\$ 2,603,858	\$ 318,749

See accompanying notes to the basic financial statements

Bath Township, Summit County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 JEDD II Fund
 For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Interest	\$ -	\$ -	\$ 107,994	\$ 107,994
<i>Net Change in Fund Balance</i>	-	-	107,994	107,994
<i>Fund Balance Beginning of Year</i>	3,534,746	3,534,746	3,534,746	-
<i>Fund Balance End of Year</i>	<u>\$ 3,534,746</u>	<u>\$ 3,534,746</u>	<u>\$ 3,642,740</u>	<u>\$ 107,994</u>

See accompanying notes to the basic financial statements

Bath Township, Summit County
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
December 31, 2008

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$30,950</u>
Net Assets	
Restricted - Deposits	<u>\$30,950</u>

See accompanying notes to the basic financial statements

Note 1 – Reporting Entity

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

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading. 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, fire, EMS and police protection, maintenance of Township roads, and cemetery maintenance.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified 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 modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its governmental activities. 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.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Road and Bridge Fund, Police District Fund, Fire District Fund and Joint Economic Development 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 Road and Bridge Fund receives property tax money for maintaining and repairing Township roads. The Police District Fund receives property tax money for providing police services to Township residents. The Fire District Fund receives special levy tax money for providing fire services to Township residents. The Joint Economic Development Funds I and II (JEDD I and II) are dedicated to preserving the rural character of Bath Township.

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

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

Fiduciary Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency funds account for insurance proceeds to be held until required repairs to damaged property are made and approved by the Township, and to account for road opening deposits and road bonds that are returned when construction is complete.

C. Basis of Accounting

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

As a result of the use of this modified 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.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the 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 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 Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The 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.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2008, the Township invested in nonnegotiable certificates of deposit, treasury bills and STAR Ohio. The non-negotiable certificates of deposit and the treasury certificates are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 were \$170,352.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits. Beyond annual contributions, pensions are the liability of the State or Federal Programs and are not liabilities of Bath Township.

L. Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. The Township had no such transactions in 2008.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets totaling \$100,000 in the permanent fund are restricted and are non-expendable. Income on the Wilson Memorial Trust is restricted to training and equipment costs for safety forces.

N. Interfund Transactions

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, and Joint Economic Development Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$78,022 for the General Fund, \$137,307 for the Road and Bridge Fund, \$54,760 for the Police District Fund, \$40,574 for the Fire District Fund, and \$55,514 for Other Governmental Funds.

Note 4 – Deposits and Investments

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet current demands on the Township treasury. Such 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 Township has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by 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 may 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;
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.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2008, \$2,410,554 of the Township's bank balance of \$2,660,554, which includes \$2,540,951 of non-negotiable certificates of deposit was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

As of December 31, 2008, the Township had the following investments and maturities:

Investment Type	Fair Value 12/31/2008	Maturity (1)	Rating (2)
Treasury Bonds and Notes	\$ 3,641,789	95	AAA
STAR OHIO (Investment Pool)	<u>5,957,050</u>	Daily	AAAm
Total Investments	<u><u>\$ 9,598,839</u></u>		

- (1) Weighted Maturity - Days
(2) Moody's

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2008, was \$17.01 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property			
Residential and Agricultural	\$	438,464,840	
Other		72,568,610	
Public Utility		8,157,410	
Tangible Personal Property		4,572,635	
Total Assessed Value	\$	523,763,495	

Note 6 – 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 disasters. During 2008 the Township contracted with Wichert Insurance as their broker for the following coverage with the respective companies listed below:

Type	Amount	Limit	Company
Legal Liability	\$ 1,000,000 3,000,000	Per Occurrence General Aggregate	Selective Ins. Co. Selective Ins. Co.
Automobile Liability	\$ 1,000,000	Per Occurrence	Selective Ins. Co.
Law Enforcement Operations	\$ 1,000,000	Per Occurrence	Scottsdale Indemnity
Wrongful Acts	\$ 1,000,000	Per Occurrence & Annual Aggregate	Selective Ins. Co.
Property, Boiler & Equipment	\$ 10,165,099	Limit	Selective Ins. Co.
Business Personal Property	\$ 2,020,245	Limit	Selective Ins. Co.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The 2008 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 10.1%. The 2008 employer contribution rate for state and local employers was 14.00% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2008 was 17.40%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2008, 2007, and 2006 were \$475,711, \$454,923, and \$427,781, respectively. The full amount has been contributed for all years.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary, while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters were \$176,191 for the year ended December 31, 2008, \$162,792 for the year ended December 31, 2007, and \$184,377 for the year ended December 31, 2006. The full amount has been contributed for all years.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with the traditional plan. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 local government employer contribution rate was 14 percent of covered payroll and public safety and law enforcement employer units contributed at 17.40%; 7 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007 (the latest information available), include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 4.00 percent annually for the next seven years and 4.00 percent annually in subsequent years (eight and beyond).

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

The number of active contributing participants in the traditional and combined plans was 363,503. Actual employer contributions for 2008 which were used to fund postemployment benefits were \$237,855. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

Bath Township, Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2008

The total firefighter contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment health care program during 2008. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

Note 9 - Debt

The Township's long-term debt activity for the year ended December 31, 2008, was as follows:

	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Governmental Activities:					
G.O. Bonds - 4.3%	\$ 2,283,649	\$ -	\$ 48,649	\$ 2,235,000	\$ 205,000

The general obligation bonds provided resources for the Bath Nature Preserve project. The Township purchased land from the Firestone Estate and converted the land to a nature preserve. These voter-approved bonds are being repaid in annual installments over 17 years.

The following is a summary of the Township's future annual debt service requirements:

	G.O. Bonds	
	Principal	Interest
2009	\$ 205,000	\$ 111,750
2010	215,000	101,500
2011	225,000	90,750
2012	235,000	79,500
2013	245,000	67,750
2013-2017	1,110,000	141,750
Total	\$ 2,235,000	\$ 593,000

Note 10 – Contingent Liabilities/ Subsequent Events

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

Management believes there are no pending claims or lawsuits.

Note 11 – Joint Ventures

The Township is a member of a Joint Economic District with the cities of Akron and Fairlawn. The City of Akron provides water service to businesses within the JEDD while the JEDD is permitted to collect income tax on those businesses. At the same time, the JEDD prevents annexation of Township property by either city and maintains the Township's rural character and property tax base.

The Township jointly operates a fire station with Copley Township. The Township is responsible for half of the operating and maintenance costs (with the exception of snow and ice control paid by Copley Township, and lawn and landscape maintenance paid by Bath Township, and 50% of payroll costs for the station. For the year ended December 31, 2008, the Township's expenditures for the fire station were \$208,636.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Bath Township
Summit County
P.O. Box 1188
Bath, Ohio 44210

To the Township Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bath Township, Summit County, Ohio (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's financial statements and have issued our report thereon dated March 12, 2009, wherein we noted that the Township uses the modified cash basis of accounting rather than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated March 12, 2009.

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

Charles E. Harris and Associates, Inc.
March 12, 2009

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending December 31, 2007, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

BATH TOWNSHIP

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 12, 2009**