



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**BETHEL TOWNSHIP
CLARK COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Trustees
Bethel Township
3333 Lake Road
Medway, Ohio 45341

We have reviewed the *Independent Auditor's Report* of Bethel Township, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

FINDING FOR RECOVERY – PARTIALLY REPAID UNDER AUDIT

Ohio Rev. Code § 507.09(A)(7) provides in calendar year 2018 the township fiscal officer shall be entitled to compensation as follows: In townships having a budget of more than six million but not more than ten million dollars, twenty-six thousand eight hundred fifty-two dollars. **Ohio Rev. Code § 507.09(B)** states in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the compensation determined under division (A) of this section shall be increased by one and three-quarters per cent.

Ohio Rev. Code § 505.24(A)(7) provides, in part, in calendar year 2018, each township trustee is entitled to compensation in an amount for each day of service in the business of the township, to be paid from the township treasury as follows: In townships having a budget of more than six million but not more than ten million dollars, eighty-eight dollars and nineteen center per day for not more than two hundred days. **Ohio Rev. Code § 505.24(B)** states in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the amounts paid as specified in division (A) of this section shall be increased by one and three-quarters per cent.

Ohio Attorney General Opinion No. 99-015 provides, in part, that “for the purposes of calculating the authorized compensation of the Township Trustees pursuant to Ohio Rev. Code § 505.24, the term ‘budget’ refers to the total amount of resources available to the Township pursuant to the official certificate of estimated resources or amendments to the certificate”.

The Township’s budget was in the category of three million five hundred thousand to six million from January through September 2021. The Township’s budget was increased to more than six million per an amended Certificate of Estimated Resources dated September 30, 2021, thus increasing the compensation for the Fiscal Officer and Trustees for October through December 2021.

FINDING FOR RECOVERY – PARTIALLY REPAID UNDER AUDIT (continued)

Fiscal Officer Stacey McKenzie should have received a monthly salary of \$2,357.25 for October through December 2021; however, she was paid a monthly salary of \$2,053.83 for October through December 2021 resulting in underpayment of \$910.26. In January 2022, the Township issued a true-up payment to the Fiscal Officer in the amount of \$3,641.04; however, the true-up was based on 12 months of underpayment instead of just 3 months. As a result, the Fiscal Officer was overpaid by \$2,730.78. The Fiscal Officer reimbursed the Township \$2,404.44 in August 2022 for the overpayment; however, the reimbursement was calculated using the net pay instead of gross pay resulting in a remaining amount due of \$326.34.

Trustees Nancy Brown, David Phares, and Donald Minton should have each received a monthly salary of \$1,548.33 for October through December 2021; however, they were each paid a monthly salary of \$1,194.83 for October through December 2021 resulting in underpayment of \$1,060.50 each. In January 2022, the Township issued a true-up payment to each Trustee in the amount of \$4,242.00; however, the true-up was based on 12 months of underpayment instead of just 3 months. As a result, the Trustees were overpaid by \$3,181.50 each.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Fiscal Officer Stacey McKenzie and her bonding company, Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$326.34 and in favor of the Bethel Township General Fund. A finding for recovery is also issued against Trustee Nancy Brown, Trustee David Phares, and Trustee Donald Minton each jointly and severally with Fiscal Officer Stacey McKenzie and her bonding company, Ohio Township Association Risk Management Authority, jointly and severally, in the amount of \$3,181.50 and in favor of the Bethel Township General Fund.

On December 5, 2024, the Township received repayment from Stacey McKenzie for \$326.24, via check 1855 and repayment from Nancy Brown for \$3,181.50, via check 1701. Additionally, the Township received repayment from David Phares on December 14, 2024 for \$2,806.21, via check 1402607 and on January 29, 2025 for \$375.29, via check 1402646. The repayments were posted to the General fund, as evidenced by receipts 159-2024, 160-2024, 167-2024 and 4-2025.

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. Bethel Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

June 10, 2025

**BETHEL TOWNSHIP
CLARK COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Bethel Township
Clark County
3333 Lake Road
Medway, Ohio 45341

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Bethel Township, Clark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 26, 2025

**BETHEL TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Permanent	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ -	\$ 1,782,712	\$ -	\$ 1,782,712
Charges for Services	-	263,813	-	263,813
Licenses, Permits and Fees	132,618	6,821	-	139,439
Fines and Forfeitures	2,670	-	-	2,670
Intergovernmental	60,537	535,209	-	595,746
Special Assessments	3,230	54,138	-	57,368
Earnings on Investments	66,794	119,809	134	186,737
Miscellaneous	18,442	18,342	-	36,784
<i>Total Cash Receipts</i>	<u>284,291</u>	<u>2,780,844</u>	<u>134</u>	<u>3,065,269</u>
Cash Disbursements				
Current:				
General Government	217,812	8,534	-	226,346
Public Safety	-	1,400,689	-	1,400,689
Public Works	-	624,939	-	624,939
Health	-	13,646	-	13,646
Conservation-Recreation	14,413	-	-	14,413
Capital Outlay	-	334,315	-	334,315
<i>Total Cash Disbursements</i>	<u>232,225</u>	<u>2,382,123</u>	<u>-</u>	<u>2,614,348</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>52,066</u>	<u>398,721</u>	<u>134</u>	<u>450,921</u>
<i>Fund Cash Balances, January 1</i>	<u>467,895</u>	<u>3,834,941</u>	<u>1,010</u>	<u>4,303,846</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 519,961</u>	<u>\$ 4,233,662</u>	<u>\$ 1,144</u>	<u>\$ 4,754,767</u>

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

**BETHEL TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Fiduciary Fund Types		Combined Total
	Private Purpose Trust	Custodial Other Custodial	
Additions			
Earnings on Investments (trust funds only)	\$ 112	\$ -	\$ 112
Other Amounts Collected for Distribution	-	74,120	74,120
<i>Total Additions</i>	<u>112</u>	<u>74,120</u>	<u>74,232</u>
Deductions			
Other Distributions	-	42,400	42,400
<i>Total Deductions</i>	<u>-</u>	<u>42,400</u>	<u>42,400</u>
Net Change in Fund Balances	112	31,720	31,832
<i>Fund Cash Balances, January 1</i>	<u>843</u>	<u>-</u>	<u>843</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 955</u>	<u>\$ 31,720</u>	<u>\$ 32,675</u>

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

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Bethel Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township also employs a part-time coordinator for the day-to-day management of the Township office, and two full time and four part time Road & Maintenance employees.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township provides its own fire protection. The Clark County Sheriff provides police protection. The Township has a supplemental contract with the Clark County Sheriff for additional police coverage in the community.

Public Entity Risk Pools

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships, OTARMA provides property and casualty coverage for its members. Note 6 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

The Fire Levy 7 Mill Fund is used to account for the portion of property tax revenue received and used for providing fire protection services for the Township. This includes four levies, three of which represent 6 mills that will expire and will need to be renewed in 2026.

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Funderburg cemetery.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township's private purpose trust fund is used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. The Township has a private purpose trust fund established for the perpetual care of a lot and stone in the Township's Donnelville Cemetery. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Township's custodial funds account for amounts collected and distributed on behalf of another individual.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for funds issued for a township resident from a fire claims loss.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, no distributions were made.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 187,435	\$ 284,291	\$ 96,856
Special Revenue	2,601,408	2,780,844	179,436
Private Purpose Trust	1	112	111
Permanent	2	134	132
Fiduciary	69,752	74,120	4,368
Total	<u>\$ 2,858,598</u>	<u>\$ 3,139,501</u>	<u>\$ 280,903</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 533,993	\$ 235,840	\$ 298,153
Special Revenue	5,828,195	2,383,452	3,444,743
Permanent	750	-	750
Fiduciary	74,120	42,400	31,720
Total	<u>\$ 6,437,058</u>	<u>\$ 2,661,692</u>	<u>\$ 3,775,366</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2023
Demand deposits	\$ 2,642,777
Total deposits	<u>2,642,777</u>
STAR Ohio	<u>2,144,665</u>
Total investments	<u>2,144,665</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u>\$ 4,787,442</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$4,227 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management (Continued)

Risk Pool Membership (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Social Security

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus	\$ -	\$ -	\$ 200	\$ 200
Outstanding Encumbrances	<u>3,615</u>	<u>1,329</u>		<u>4,944</u>
Total	<u>\$ 3,615</u>	<u>\$ 1,329</u>	<u>\$ 200</u>	<u>\$ 5,144</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**BETHEL TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Permanent	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ -	\$ 1,337,106	\$ -	\$ 1,337,106
Charges for Services	-	325,503	-	325,503
Licenses, Permits and Fees	134,500	9,271	-	143,771
Fines and Forfeitures	5,170	-	-	5,170
Intergovernmental	64,447	1,067,219	-	1,131,666
Special Assessments	2,525	78,799	-	81,324
Earnings on Investments	12,683	9,098	10	21,791
Miscellaneous	30,659	35,246	-	65,905
<i>Total Cash Receipts</i>	<u>249,984</u>	<u>2,862,242</u>	<u>10</u>	<u>3,112,236</u>
Cash Disbursements				
Current:				
General Government	287,479	5,161	-	292,640
Public Safety	-	1,401,936	-	1,401,936
Public Works	-	494,595	-	494,595
Health	120	4,251	-	4,371
Conservation-Recreation	19,829	-	-	19,829
Capital Outlay	-	560,830	-	560,830
Debt Service:				
Principal Retirement	-	54,177	-	54,177
Interest and Fiscal Charges	-	397	-	397
<i>Total Cash Disbursements</i>	<u>307,428</u>	<u>2,521,347</u>	<u>-</u>	<u>2,828,775</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(57,444)</u>	<u>340,895</u>	<u>10</u>	<u>283,461</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	3,632	-	3,632
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>3,632</u>	<u>-</u>	<u>3,632</u>
<i>Net Change in Fund Cash Balances</i>	<u>(57,444)</u>	<u>344,527</u>	<u>10</u>	<u>287,093</u>
<i>Fund Cash Balances, January 1 (Restated - See Note 13)</i>	<u>525,339</u>	<u>3,490,414</u>	<u>1,000</u>	<u>4,016,753</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 467,895</u>	<u>\$ 3,834,941</u>	<u>\$ 1,010</u>	<u>\$ 4,303,846</u>

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

**BETHEL TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Fiduciary Fund Types		
		Custodial	
	Private Purpose Trust	Other Custodial	Combined Total
Additions			
Earnings on Investments (trust funds only)	\$ 8	\$ -	\$ 8
Other Amounts Collected for Distribution	-	41,552	41,552
<i>Total Additions</i>	<u>8</u>	<u>41,552</u>	<u>41,560</u>
Deductions			
Other Distributions	-	63,552	63,552
<i>Total Deductions</i>	<u>-</u>	<u>63,552</u>	<u>63,552</u>
Net Change in Fund Balances	8	(22,000)	(21,992)
<i>Fund Cash Balances, January 1</i>	<u>835</u>	<u>22,000</u>	<u>22,835</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 843</u>	<u>\$ -</u>	<u>\$ 843</u>

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

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Bethel Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer. The Township also employs a full-time coordinator for day-to-day management of the Township Office, a part-time assistant to the coordinator and a part-time fiscal officer assistant. The Township has two full-time and four part-time Road & Maintenance employees. The Township provides road maintenance, cemetery maintenance, fire protection and emergency medical services.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships, OTARMA provides property and casualty coverage for its members. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

The Fire Levy 7 Mill Fund is used to account for the portion of property tax revenue received and used for providing fire protection services for the Township. This includes four levies, three of which represent 6 mills that will expire and will need to be renewed in 2026.

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Funderburg cemetery.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Township's private purpose trust fund is used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. The Township has a private purpose trust fund established for the perpetual care of a lot and stone in the Township's Donnelsville Cemetery. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Township's custodial funds account for amounts collected and distributed on behalf of another individual.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for funds issued for a township resident from a fire claims loss.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

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

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

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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

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

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Township is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, the Township did not file an appropriation measure with the county auditor in 2022 and thus did not receive a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed such official estimate or amended official estimate. This caused disbursements to exceed appropriation authority in all funds, which was a violation of ORC 5705.41(B).

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 174,099	\$ 249,984	\$ 75,885
Special Revenue	2,718,679	2,865,874	147,195
Permanent	-	10	10
Trust	-	8	8
Fiduciary	-	41,552	41,552
Total	<u>\$ 2,892,778</u>	<u>\$ 3,157,428</u>	<u>\$ 264,650</u>

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 4 – Budgetary Activity (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,283	\$ 311,421	\$ (310,138)
Special Revenue	1,262	2,523,151	(2,521,889)
Fiduciary	-	63,552	(63,552)
Total	<u>\$ 2,545</u>	<u>\$ 2,898,124</u>	<u>\$ (2,895,579)</u>

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2022
Demand deposits	<u>\$ 2,269,026</u>
Total deposits	<u>2,269,026</u>
STAR Ohio	<u>2,035,663</u>
Total investments	<u>2,035,663</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$ 4,304,689</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$5,223 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 6 – Property Taxes (Continued)

Public utilities are also taxed on personal and real property located within the Township.

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

Note 7 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 8 – Defined Benefit Pension Plans (Continued)

Social Security

Several of the Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses

Note 10 – Debt

In October of 2021, The Township entered into a loan agreement with Wesbanco to finance the purchase of a new police cruiser. The Township financed \$54,177 at 3.00% The loan was paid off in February of 2022.

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:				
Corpus	\$ -	\$ -	\$ 200	\$ 200
Outstanding Encumbrances	3,993	1,804	-	5,797
Total	<u>\$ 3,993</u>	<u>\$ 1,804</u>	<u>\$ 200</u>	<u>\$ 5,997</u>

Bethel Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 11 – Fund Balances (Continued)

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

During 2022, the Township received \$635,742 American Rescue Plan funding on behalf of another government. These amounts are recorded in the applicable American Rescue Plan Special Revenue Fund on the accompanying financial statements.

Note 13 – Restatement of Beginning Fund Balance

The fund balance was restated as of January 1, 2022. Adjustments were made to increase the General and Special Revenue Funds by \$3,493 and \$16,174, respectively, to account for old outstanding checks that were removed from the books.

	General Fund	Special Revenue Funds
Ending Fund Balance at 12/31/2021	\$ 521,846	\$ 3,474,240
Adjustment	3,493	16,174
Restated Fund Balance 1/1/2022	<u>\$ 525,339</u>	<u>\$ 3,490,414</u>

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

Bethel Township
Clark County
3333 Lake Road
Medway, Ohio 45341

To the Board of Trustees:

We have audited, 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Bethel Township, Clark County, (the Township) and have issued our report thereon dated February 26, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit findings as items 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of audit findings as items 2023-002 and 2023-003.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 26, 2025

**BETHEL TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2023-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Township's annual financial report were noted:

- A Local Government Distribution was recorded in the Motor Vehicle License Tax Fund rather than the General Fund;
- Disbursements for capital purchases and the Clark County Sheriffs contract were misclassified as Other Financing Uses instead of Capital Outlay and Public Safety in the Fire District and Ambulance & Emergency Medical Funds in 2023 and 2022;
- Debt Payments were recorded as Other Financial Uses rather than Principal and Interest in the Police District Fund in 2022;
- General Government disbursements were classified as Other Financial Uses in 2022; and
- Custodial Fund Other Distributions were classified as Distributions as Fiscal Agent in 2023 and 2022.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The Financial Statements reflect all reclassifications and adjustments. The Township has posted the adjustments to its accounting system.

The following reclassification was inconsequential to the overall financial statements of the Township for December 31, 2023 and was not posted to the financial statements:

- The Township posted a receipt as Miscellaneous revenue in the General Fund instead of Intergovernmental revenue.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements. The Township should also ensure all applicable footnote disclosures are accurately reported.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Official's Response – We did not receive a response from Officials to this finding.

**BETHEL TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)
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FINDING NUMBER 2023-002

Material Weakness/Noncompliance

Budgetary Controls

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Township making financial decisions based on incorrect or incomplete information. We noted the following in 2022:

- **Violations of 5705.39** indicating that no appropriation measure shall become effective until the county auditor files with appropriating authority a certificate that the total appropriations from each fund, taken together with all outstanding appropriations, do not exceed such official estimate or amended official estimate; and
- **Violations of 5705.41(B)** indicating disbursements cannot exceed appropriation authority.

Although the Board approved budgets for revenue and expenses and received monthly reports of budget and actual information, it did not ensure that budgetary forms are properly completed and submitted to the County Budget Commission timely in 2022. This was corrected in 2023.

The Board should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Township is complying with applicable sections.

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Township Board and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in varying amounts posted to the accounting system and information available to the Township Officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Township implement procedures to ensure estimated receipts and appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Official's Response – We did not receive a response from Officials to this finding.

**BETHEL TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)
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FINDING NUMBER 2023-003

Material Weakness/Noncompliance

Officials Compensation

Ohio Revised Code §505.24 and §507.09 state Township Trustee and Fiscal Officer salaries are based on the annual budget of the Township.

In 2021, the Fiscal Officer and Trustees were compensated based on a Township budget of \$3,500,000 - \$6,000,000. The 2nd Amended Certificate of Estimated Resources dated September 30, 2021 increased the Township budget into the \$6,000,000 - \$10,000,000 range. The Fiscal Officer and Trustees were underpaid in October, November, and December of 2021.

In January of 2022, prior to the 2021-2020 audit, checks were cut to reimburse the Fiscal Officer and Trustees for 12 months of underpayment, thus overpaying them for 9 months.

Fiscal Officer Stacey McKenzie was overpaid \$2,730.78. Trustees Nancy Brown, David Phares, and Don Minton (deceased) were overpaid \$3,181.50. Fiscal Officer McKenzie and Trustees Brown and Phares have repaid the Township for their respective overpayments. The \$3,181.50 owed by Trustee Minton (deceased) remains outstanding.

We recommend Township officials take the necessary steps to help ensure the proper compensation of all employees. Failure to compensate at the proper rate could result in improper payments and withholdings.

Official's Response – We did not receive a response from Officials to this finding.

**BETHEL TOWNSHIP
CLARK COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated as Finding 2023-001
2021-002	Budgetary Controls	Not Corrected	Repeated as Finding 2023-002

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OHIO AUDITOR OF STATE KEITH FABER



BETHEL TOWNSHIP

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/24/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov