

BUTLER TOWNSHIP

DAYTON REGION, MONTGOMERY COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 – 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Butler Township
8524 North Dixie Drive
Dayton, Ohio 45414

We have reviewed the *Independent Auditors' Report* of Butler Township, Montgomery County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2007 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. Butler Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 24, 2009

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MONTGOMERY COUNTY**

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MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

INDEPENDENT AUDITORS' REPORT

Butler Township
Montgomery County
8524 North Dixie Drive
Dayton, Ohio 45414

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 Butler Township, Montgomery County, Ohio, (the Township), as of and for the years ended December 31, 2008 and 2007, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Butler Township, Montgomery County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Police District, Fire District, and Special Revenue – Harson Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 21, 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 and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should be read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basis financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Manning & Associates CPAs, LLC
Dayton, Ohio

July 21, 2009

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Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

This discussion and analysis of the Butler Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 are as follows:

Net assets of governmental activities increased by \$1,620,655 or 23 percent, a significant change from the prior year, primarily due to the newly created Morris TIF, whereby \$1,300,000.00 was received.

The Township began construction of Towne Center Drive, a new north/south connector road between Benchwood Road and York Commons Blvd. This is a TIF funded project (Morris TIF). The project will be completed in the spring of 2009.

The Township's general receipts are primarily property and other taxes, and grants and entitlements. These receipts represent respectively 61 percent of the total cash received for governmental activities during the year. Property tax receipts for 2008 increased considerably due to TIF revenue.

Key highlights for 2007 are as follows:

Net assets of governmental activities increased by \$851,680 or 14 percent, a significant change from the prior year, partially due to the posting of interest earned in 2007 and a significant decrease in capital outlay expenses. TIF revenue and an increase in tax revenue due to significant growth within the township also contributed to the increase.

The Township's general receipts are primarily property and other taxes, and grants and entitlements. These receipts represent respectively 68 percent of the total cash received for governmental activities during the year. Property tax receipts for 2007 increased considerably due to TIF revenue.

The Township sold a bond for \$190,000 for the purchase of an ambulance. The repayment of the bond debt will be through the TIF funds beginning in 2008.

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

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 Government's cash basis of accounting.

Report Components

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government 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 Government has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. 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 activity draws from the Township's general receipts.

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

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

In the statement of net assets and the statement of activities, the governmental activities include the Township's programs and services, including general government services, road and bridge maintenance, police, and fire services. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting 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 that is restricted as to how it may be used is being spent for the intended purpose. All of the Township's activities are reported as governmental funds.

Governmental Funds - The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental fund for 2008 and 2007 are the General, Police District, Fire District and Miscellaneous Special Revenue – Harson TIF funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Butler Township
 Montgomery County
Management's Discussion and Analysis
 For the Years Ended December 31, 2008 and 2007
 Unaudited

The Government as a Whole

Table 1 provides a summary of the Government's net assets for 2008 compared to 2007, and 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2008	2007	2006
Assets			
Cash and Cash Equivalents	\$8,659,121	\$7,338,466	\$6,186,786
Total Assets	\$8,659,121	\$7,338,466	\$6,186,786
 Net Assets			
Restricted for:			
Other Purposes	5,252,951	3,658,346	2,879,040
Unrestricted	3,406,170	3,380,120	3,307,746
Total Net Assets	\$8,659,121	\$7,038,466	\$6,186,786

As mentioned previously, net assets of governmental activities increased \$1,620,655 or approximately 23 percent during 2008. One of the primary reasons for the increase is the newly created Morris TIF, whereby \$1,300,000 was received in 2008. The Township has also continued to experience significant growth in commercial and residential development and income increases in tax revenue for TIF/RID programs.

In 2007, net assets of governmental activities increased \$851,680 or approximately 14 percent. One of the primary reasons for the increase is interest in 2007 for the Fifth Third Security Account and a decline in capital outlays. Additional reasons for the increase are significant growth in commercial and residential development and increases in tax revenue for TIF/RID programs.

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2008, 2007, and 2006 for governmental activities.

	Governmental Activities		(restated)
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$1,431,216	\$1,115,235	\$1,053,293
Operating Grants and Contributions	830,742	733,463	743,189
Total Program Receipts	<u>2,261,958</u>	<u>1,848,698</u>	<u>1,796,482</u>
General Receipts:			
Property and Other Local Taxes	5,697,081	4,621,703	4,280,770
Grants and Entitlements Not Restricted to Specific Programs	431,911	632,319	660,040
Sale of Bonds	1,300,000	190,000	2,942,980
Sale of Fixed Assets	22,785	6,417	4,522
Earnings on Investments	221,792	369,469	259,955
Miscellaneous	118,884	102,025	123,208
Total General Receipts	<u>7,792,453</u>	<u>5,921,933</u>	<u>8,271,475</u>
Total Receipts	<u>10,054,411</u>	<u>7,770,631</u>	<u>10,067,957</u>
Disbursements:			
General Government	1,269,207	1,202,642	1,074,778
Public Safety	3,622,776	3,662,793	3,403,556
Public Works	1,557,004	1,313,304	1,169,979
Health	28,417	30,668	26,576
Capital Outlay	1,619,783	472,005	3,699,791
Other	0	0	2,020
Principal Retirement	168,404	79,430	49,000
Interest and Fiscal Charges	168,165	158,109	12,920
Total Disbursements	<u>8,433,756</u>	<u>6,918,951</u>	<u>9,438,620</u>
Increase (Decrease) in Net Assets	1,620,655	851,680	629,337
Net Assets, January 31	<u>7,038,466</u>	<u>6,186,786</u>	<u>5,557,449</u>
Net Assets, December 31	<u>\$8,659,121</u>	<u>\$7,038,466</u>	<u>\$6,186,786</u>

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
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Program receipts represent 22, 23 and 17 percent of total receipts for 2008, 2007, and 2006, respectively and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, zoning permits, cemetery receipts, various grants, and miscellaneous fines and fees.

General receipts in the governmental activities represent 77, 76, and 82 percent of the Township's total receipts for 2008, 2007, and 2006, respectively, and of these amounts over 73, 78, and 51 percent in 2008, 2007, and 2006, respectively, are property and other local taxes. State and federal grants and entitlements are 5, 10, and 7 percent, in 2008, 2007, and 2006, respectively. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Government activities. These include the costs of board members and fiscal officer, attorney fees, UAN fees, tax collection fees, utilities, payroll, capital improvements such as sidewalk programs, and finally transfers supporting other funds as needed

Security of Persons and Property are the costs of police and fire protection; Health is the cost of maintaining the cemetery; Public Works are the costs of maintaining the roads and bridges and garbage removal; capital outlay is various capital projects, and principal retirement is TIF's.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Government. 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 42 and 18 percent, 52 and 18 percent, and 36 and 12 percent of all governmental disbursements for 2008, 2007, and 2006, respectively. General government also represents significant costs at about 15, 17, and 11 percent in 2008, 2007, and 2006, respectively. In 2008, capital outlay also represents a significant portion of total disbursements at 19 percent and 39 percent in 2006. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government 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 ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

(Table 3)

	Governmental Activities				(restated)	
	Total Cost	Net Cost	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services	of Services	of Services
	2008	2008	2007	2007	2006	2006
General Government	\$1,269,207	(\$1,029,093)	\$1,202,642	(\$1,056,304)	\$1,074,778	(\$901,875)
Public Safety	3,622,776	(2,622,886)	3,662,793	(2,942,899)	3,403,556	(2,637,157)
Public Works	1,557,004	(604,893)	1,313,304	(445,678)	1,169,979	(395,607)
Health	28,417	11,513	30,668	29,777	26,576	15,062
Other	0	29,913	0	37,590	2,020	39,150
Capital Outlay	1,619,783	(1,619,783)	472,005	(455,200)	3,699,791	(3,699,791)
Debt Service:						
Principal Retirement	168,404	(168,404)	79,430	(79,430)	49,000	(49,000)
Interest and Fiscal Charges	168,165	(168,165)	158,109	(158,109)	12,920	(12,920)
Total Expenses	\$8,433,756	(\$6,171,798)	\$6,918,951	(\$5,070,253)	\$9,438,620	(\$7,642,138)

The dependence upon property tax receipts is apparent as approximately 73, 73, and 80 percent of governmental activities are supported through these general receipts in 2008, 2007, and 2006, respectively.

The Government's Funds

Total governmental funds had receipts of \$10,054,411, \$7,770,631, and \$10,067,957 and disbursements of \$8,433,756, \$6,918,951, and \$9,438,620 in 2008, 2007, and 2006, respectively. General Fund receipts were greater than disbursements by \$1,620,655, \$851,680, and \$629,337 in 2008, 2007, and 2006, respectively, indicating that the General Fund is in a positive spending situation.

General Fund Budgeting Highlights

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

During 2008 and 2007, the Township's Revenue Budget and Permanent Appropriation were amended to reflect changing circumstances. For 2008, actual receipts were \$1,611,779 and budgeted receipts were \$1,803,324. In 2007, actual receipts were \$2,073,492 and budgeted receipts were \$2,103,228.

In 2008, final disbursements were budgeted at \$3,103,487 while actual disbursements were \$1,723,069.

In 2007, final disbursements were budgeted at \$2,720,343 while actual disbursements were \$2,022,857.

Butler Township
Montgomery County
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township currently keeps track of its newly purchased capital assets by reporting it to our insurance company yearly.

Debt

At December 31, 2008, the Township's outstanding debt was \$341,000. The Township has bonds (TIFs) in the amount of \$4,220,716 assigned by security agreement for repayment; these are backed by the full faith and credit of the Township. The Township is acting as a conduit in collecting and disbursing the funds, The Township has capital leases in the amount of \$113,897 for facilities and equipment. For further information regarding the Township's debt, refer to Notes 9 and 10 to the basic financial statements.

Current Issues

The challenge for all Township's 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 seen substantial growth in the township in the TIF and RID areas. All departments have been asked to prepare a report for review to address both short and long term budget issues.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mark Adams, Fiscal Officer, Butler Township, 8524 N. Dixie Drive, Dayton, OH 45414.

Butler Township
Montgomery County
Statement of Net Assets - Cash Basis
For the Year Ended December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>8,659,121</u>
<i>Total Assets</i>	\$ <u><u>8,659,121</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 5,252,951
Unrestricted	<u>3,406,170</u>
<i>Total Net Assets</i>	\$ <u><u>8,659,121</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 1,269,207	\$ 240,114	\$ 0	\$ (1,029,093)
Public Safety	3,622,776	431,927	567,963	(2,622,886)
Public Works	1,557,004	689,332	262,779	(604,893)
Health 28,417		39,930	0	11,513
Other	0	29,913	0	29,913
Capital Outlay	1,619,783	0	0	(1,619,783)
Debt Service:				
Principal Retirement	168,404	0	0	(168,404)
Interest	168,165	0	0	(168,165)
<i>Total Governmental Activities</i>	<u>\$ 8,433,756</u>	<u>\$ 1,431,216</u>	<u>\$ 830,742</u>	<u>\$ (6,171,798)</u>

General Receipts

Property Taxes	\$ 5,192,453
Other Taxes	504,628
Grant and Entitlements not Restricted to Specific Programs	431,911
Sale of Bonds	1,300,000
Sale of Fixed Assets	22,785
Earnings on Investments	221,792
Miscellaneous	118,884
Total General Receipts	<u>7,792,453</u>
Change in Net Assets	1,620,655
Net Assets Beginning of Year	<u>7,038,466</u>
Net Assets End of Year	<u><u>\$ 8,659,121</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>General</u>	<u>Police District</u>	<u>Fire Harson District</u>	<u>TIF</u>	<u>Other Total Governmental Funds</u>	<u>Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 3,406,170	\$ 282,364	\$ 2,385,001	\$ 1,063,166	\$ 1,523,420	\$ 8,660,121
<i>Total Assets</i>	<u>\$ 3,406,170</u>	<u>\$ 282,364</u>	<u>\$ 2,385,001</u>	<u>\$ 1,063,166</u>	<u>\$ 1,523,420</u>	<u>\$ 8,660,121</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ 137,340	\$ 20,880	\$ 30,533	\$ 0	\$ 32,106	\$ 220,859
Unreserved, Undesignated, Reported in:						
General Fund	3,268,830	0	0	0	0	3,268,830
Special Revenue Funds	<u>0</u>	<u>261,484</u>	<u>2,354,468</u>	<u>1,062,166</u>	<u>1,491,314</u>	<u>5,169,432</u>
<i>Total Fund Balances</i>	<u>\$ 3,406,170</u>	<u>\$ 282,364</u>	<u>\$ 2,385,001</u>	<u>\$ 1,062,166</u>	<u>\$ 1,523,420</u>	<u>\$ 8,659,121</u>

See accompanying notes to the basic financial statements

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

	General	Police Fire District	District	Harson TIF	Other Total Governmental Funds	Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 628,876	\$ 1,068,556	\$ 1,781,509	\$ 1,458,684	\$ 790,444	\$ 5,728,069
Charges for Services	0	0	430,495	0	554,284	984,779
Licenses, Permits and Fees	147,735	36	0	0	42,731	190,502
Fines and Forfeitures	12,155	1,397	0	0	0	13,552
Intergovernmental	431,912	218,171	347,891	0	262,779	1,260,753
Special Assessments	60,277	0	0	0	104,060	164,337
Earnings on Investments	221,154	0	0	0	638	221,792
Miscellaneous	54,499	36,732	8,900	0	37,798	137,929
<i>Total Receipts</i>	<u>\$ 1,556,608</u>	<u>\$ 1,324,892</u>	<u>\$ 2,568,795</u>	<u>\$ 1,458,684</u>	<u>\$ 1,792,734</u>	<u>\$ 8,701,713</u>
Disbursements						
Current:						
General Government	\$ 1,168,129	\$ 0	\$ 0	\$ 0	\$ 101,078	\$ 1,269,207
Public Safety	0	1,578,272	2,043,444	0	1,060	3,622,776
Public Works	4,598	0	0	0	1,552,406	1,557,004
Health	0	0	0	0	28,417	28,417
Capital Outlay	320,002	29,132	78,256	152,531	1,039,862	1,619,783
Debt Service:						
Principal Retirement	0	0	0	115,404	53,000	168,404
Interest and Fiscal Charges	0	0	0	159,205	8,960	168,165
<i>Total Disbursements</i>	<u>\$ 1,492,729</u>	<u>\$ 1,607,404</u>	<u>\$ 2,121,700</u>	<u>\$ 427,140</u>	<u>\$ 2,784,783</u>	<u>\$ 8,433,756</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	63,879	(282,512)	447,095	1,031,544	(992,049)	267,957
Other Financing Sources (Uses)						
Sale of Bonds	0	0	0	0	1,300,000	1,300,000
Sale of Fixed Assets	0	2,518	8,834	0	11,433	22,785
Transfers In	55,171	0	0	0	93,000	148,171
Transfers Out	(93,000)	0	0	0	(55,171)	(148,171)
Other Financing Sources	0	0	0	0	29,913	29,913
<i>Total Other Financing Sources (Uses)</i>	<u>(37,829)</u>	<u>2,518</u>	<u>8,834</u>	<u>0</u>	<u>1,379,175</u>	<u>1,352,698</u>
<i>Net Change in Fund Balances</i>	26,050	(279,994)	455,929	1,031,544	387,126	1,620,655
<i>Fund Balances Beginning of Year</i>	<u>3,380,120</u>	<u>562,358</u>	<u>1,929,072</u>	<u>30,622</u>	<u>1,136,294</u>	<u>7,038,466</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,406,170</u>	<u>\$ 282,364</u>	<u>\$ 2,385,001</u>	<u>\$ 1,062,166</u>	<u>\$ 1,523,420</u>	<u>\$ 8,659,121</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery 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	\$ 625,748	\$ 630,749	\$ 628,876	\$ (1,873)
Licenses, Permits and Fees	69,000	147,735	147,735	0
Fines and Forfeitures	10,000	12,155	12,155	0
Intergovernmental	223,025	431,910	431,912	2
Special Assessments	67,000	59,401	60,277	876
Earnings on Investments	205,000	225,000	221,154	(3,846)
Miscellaneous	37,710	54,497	54,499	2
<i>Total receipts</i>	<u>\$ 1,237,483</u>	<u>\$ 1,561,447</u>	<u>\$ 1,556,608</u>	<u>\$ (4,839)</u>
Disbursements				
Current:				
General Government	\$ 1,276,744	\$ 1,382,319	\$ 1,305,469	\$ 76,850
Public Works	5,000	4,600	4,598	2
Capital Outlay	1,378,367	1,623,568	320,002	1,303,566
<i>Total Disbursements</i>	<u>\$ 2,660,111</u>	<u>\$ 3,010,487</u>	<u>\$ 1,630,069</u>	<u>\$ 1,380,418</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,422,628)</u>	<u>(1,449,040)</u>	<u>(73,461)</u>	<u>1,375,579</u>
Other Financing Sources (Uses)				
Transfers In	\$ 114,113	\$ 241,877	\$ 55,171	\$ (186,706)
Transfers Out	(393,000)	(93,000)	(93,000)	0
Other Financing Sources	161	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(278,726)</u>	<u>148,877</u>	<u>(37,829)</u>	<u>(186,706)</u>
<i>Net Change in Fund Balance</i>	(1,701,354)	(1,300,163)	(111,290)	1,188,873
<i>Fund Balance Beginning of Year</i>	3,358,381	3,358,381	3,358,381	0
<i>Prior Year Encumbrances Appropriated</i>	21,739	21,739	21,739	0
<i>Fund Balance End of Year</i>	<u>\$ 1,678,766</u>	<u>\$ 2,079,957</u>	<u>\$ 3,268,830</u>	<u>\$ 1,188,873</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District
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	\$ 1,118,020	\$ 1,067,622	\$ 1,068,556	\$ 934
Licenses, Permits and Fees	80	36	36	0
Fines and Forfeitures	1,500	1,396	1,397	1
Intergovernmental	176,018	218,171	218,171	0
Miscellaneous	36,640	39,248	36,732	(2,516)
<i>Total receipts</i>	<u>\$ 1,332,258</u>	<u>\$ 1,326,473</u>	<u>\$ 1,324,892</u>	<u>\$ (1,581)</u>
Disbursements				
Current:				
Public Safety	\$ 1,685,303	\$ 1,688,143	\$ 1,599,152	\$ 88,991
Capital Outlay	34,000	33,200	29,132	4,068
<i>Total Disbursements</i>	<u>\$ 1,719,303</u>	<u>\$ 1,721,343</u>	<u>\$ 1,628,284</u>	<u>\$ 93,059</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(387,045)	(394,870)	(303,392)	91,478
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$ 0	\$ 0	\$ 2,518	\$ 2,518
<i>Net Change in Fund Balance</i>	(387,045)	(394,870)	(300,874)	93,996
<i>Fund Balance Beginning of Year</i>	537,565	537,565	537,565	0
<i>Prior Year Encumbrances Appropriated</i>	24,793	24,793	24,793	0
<i>Fund Balance End of Year</i>	<u>\$ 175,313</u>	<u>\$ 167,488</u>	<u>\$ 261,484</u>	<u>\$ 93,996</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District
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	\$ 1,823,644	\$ 1,779,757	\$ 1,781,509	\$ 1,752
Charges for Services	298,334	425,562	430,495	4,933
Intergovernmental	293,037	347,891	347,891	0
Miscellaneous	5,900	17,734	8,900	(8,834)
<i>Total receipts</i>	<u>\$ 2,420,915</u>	<u>\$ 2,570,944</u>	<u>\$ 2,568,795</u>	<u>\$ (2,149)</u>
Disbursements				
Current:				
Public Safety	\$ 2,796,075	\$ 2,804,459	\$ 2,073,977	\$ 730,482
Capital Outlay	82,655	82,655	78,256	4,399
<i>Total Disbursements</i>	<u>\$ 2,878,730</u>	<u>\$ 2,887,114</u>	<u>\$ 2,152,233</u>	<u>\$ 734,881</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(457,815)	(316,170)	416,562	732,732
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$ 0	\$ 0	\$ 8,834	\$ 8,834
<i>Net Change in Fund Balance</i>	(457,815)	(316,170)	425,396	741,566
<i>Fund Balance Beginning of Year</i>	1,846,486	1,846,486	1,846,486	0
<i>Prior Year Encumbrances Appropriated</i>	<u>82,586</u>	<u>82,586</u>	<u>82,586</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 1,471,257</u></u>	<u><u>\$ 1,612,902</u></u>	<u><u>\$ 2,354,468</u></u>	<u><u>\$ 741,566</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Harson TIF
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	\$ 90,000	\$ 1,458,683	\$ 1,458,684	\$ 1
<i>Total receipts</i>	<u>\$ 90,000</u>	<u>\$ 1,458,683</u>	<u>\$ 1,458,684</u>	<u>\$ 1</u>
Disbursements				
Current:				
Capital Outlay	\$ 3,300	\$ 164,889	\$ 152,531	\$ 12,358
Debt Service:				
Principal Retirement	241,082	370,113	115,404	128,931
Interest and Fiscal Charges	<u>0</u>	<u>370,113</u>	<u>159,205</u>	<u>145,678</u>
<i>Total Disbursements</i>	<u>\$ 244,382</u>	<u>\$ 905,115</u>	<u>\$ 427,140</u>	<u>\$ 286,967</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(154,382)	553,568	1,031,544	477,976
Other Financing Sources (Uses)				
Sale of Bonds	\$ 183,304	\$ 0	\$ 0	\$ 0
Transfers Out	<u>(58,952)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>124,352</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(30,030)	553,568	1,031,544	477,976
<i>Fund Balance Beginning of Year</i>	30,622	30,622	30,622	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 592</u></u>	<u><u>\$ 584,190</u></u>	<u><u>\$ 1,062,166</u></u>	<u><u>\$ 477,976</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Net Assets - Cash Basis
For the Year Ended December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>7,038,466</u>
<i>Total Assets</i>	\$ <u><u>7,038,466</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 3,658,346
Unrestricted	<u>3,380,120</u>
<i>Total Net Assets</i>	\$ <u><u>7,038,466</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
General Government	\$ 1,202,642	\$ 146,338	\$ 0	\$ (1,056,304)
Public Safety	3,662,793	234,657	485,237	(2,942,899)
Public Works	1,313,304	636,205	231,421	(445,678)
Health 30,668		60,445	0	29,777
Other	0	37,590	0	37,590
Capital Outlay	472,005	0	16,805	(455,200)
Debt Service:				
Principal Retirement	79,430	0	0	(79,430)
Interest	158,109	0	0	(158,109)
<i>Total Governmental Activities</i>	<i>\$ 6,918,951</i>	<i>\$ 1,115,235</i>	<i>\$ 733,463</i>	<i>\$ (5,070,253)</i>
 General Receipts				
Property Taxes			\$	4,105,569
Other Taxes				516,134
Grant and Entitlements not Restricted to Specific Programs				632,319
Sale of Notes				190,000
Sale of Fixed Assets				6,417
Earnings on Investments				369,469
Miscellaneous				102,025
Total General Receipts				5,921,933
Change in Net Assets				851,680
Net Assets Beginning of Year				6,186,786
Net Assets End of Year			\$	7,038,466

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Police District	Fire Harson District	TIF	Other Total Governmental Funds	Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 3,380,120	\$ 562,358	\$ 1,929,072	30,622	\$ 1,136,294	\$ 7,038,466
<i>Total Assets</i>	<u>\$ 3,380,120</u>	<u>\$ 562,358</u>	<u>\$ 1,929,072</u>	<u>30,622</u>	<u>\$ 1,136,294</u>	<u>\$ 7,038,466</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$ 21,739	\$ 24,794	\$ 82,586	0	\$ 27,576	\$ 156,695
Unreserved, Undesignated, Reported in:						
General Fund	3,358,381	0	0	0	0	3,358,381
Special Revenue Funds	<u>0</u>	<u>537,564</u>	<u>1,846,486</u>	<u>30,622</u>	<u>1,108,718</u>	<u>3,523,390</u>
<i>Total Fund Balances</i>	<u>\$ 3,380,120</u>	<u>\$ 562,358</u>	<u>\$ 1,929,072</u>	<u>30,622</u>	<u>\$ 1,136,294</u>	<u>\$ 7,038,466</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Police Fire District	District	Harson TIF	Other Total Governmental Funds	Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 649,795	\$ 1,174,245	\$ 1,961,606	\$ 92,199	\$ 785,872	\$ 4,663,717
Charges for Services	0	0	232,927	0	528,837	761,764
Licenses, Permits and Fees	68,053	32	0	0	51,619	119,704
Fines and Forfeitures	9,522	1,698	0	0	0	11,220
Intergovernmental	632,319	186,804	296,683	16,804	231,422	1,364,032
Special Assessments	52,231	0	0	0	65,355	117,586
Earnings on Investments	368,494	0	0	0	975	369,469
Miscellaneous	47,917	21,157	12,432	0	47,626	129,132
<i>Total Receipts</i>	<u>\$ 1,828,331</u>	<u>\$ 1,383,936</u>	<u>\$ 2,503,648</u>	<u>\$ 109,003</u>	<u>\$ 1,711,706</u>	<u>\$ 7,536,624</u>
Disbursements						
Current:						
General Government	\$ 1,115,000	\$ 0	\$ 0	\$ 0	\$ 87,642	\$ 1,202,642
Public Safety	0	1,518,870	2,143,923	0	0	3,662,793
Public Works	36,208	0	0	0	1,277,096	1,313,304
Health	0	0	0	0	30,668	30,668
Capital Outlay	275,910	8,048	131,626	1,807	54,614	472,005
Debt Service:						
Principal Retirement	0	0	0	29,430	50,000	79,430
Interest and Fiscal Charges	0	0	0	147,149	10,960	158,109
<i>Total Disbursements</i>	<u>\$ 1,427,118</u>	<u>\$ 1,526,918</u>	<u>\$ 2,275,549</u>	<u>\$ 178,386</u>	<u>\$ 1,510,980</u>	<u>\$ 6,918,951</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	401,213	(142,982)	228,099	(69,383)	200,726	617,673
Other Financing Sources (Uses)						
Sale of Notes	190,000	0	0	0	0	190,000
Sale of Fixed Assets	0	5,120	0	0	1,297	6,417
Transfers In	55,161	511,000	0	0	63,000	629,161
Transfers Out	(574,000)	0	0	0	(55,161)	(629,161)
Other Financing Sources	0	0	0	0	37,590	37,590
<i>Total Other Financing Sources (Uses)</i>	<u>(328,839)</u>	<u>516,120</u>	<u>0</u>	<u>0</u>	<u>46,726</u>	<u>234,007</u>
<i>Net Change in Fund Balances</i>	72,374	373,138	228,099	(69,383)	247,452	851,680
<i>Fund Balances Beginning of Year</i>	<u>3,307,746</u>	<u>189,220</u>	<u>1,700,973</u>	<u>100,005</u>	<u>888,842</u>	<u>6,186,786</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,380,120</u>	<u>\$ 562,358</u>	<u>\$ 1,929,072</u>	<u>\$ 30,622</u>	<u>\$ 1,136,294</u>	<u>\$ 7,038,466</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 528,341	\$ 633,982	\$ 649,795	\$ 15,813
Licenses, Permits and Fees	65,000	68,053	68,053	0
Fines and Forfeitures	11,800	9,522	9,522	0
Intergovernmental	475,703	632,510	632,319	(191)
Special Assessments	27,000	52,231	52,231	0
Earnings on Investments	150,000	413,852	368,494	(45,358)
Miscellaneous	88,002	47,917	47,917	0
<i>Total receipts</i>	<u>\$ 1,345,846</u>	<u>\$ 1,858,067</u>	<u>\$ 1,828,331</u>	<u>\$ (29,736)</u>
Disbursements				
Current:				
General Government	\$ 1,185,594	\$ 1,240,117	\$ 1,136,739	\$ 103,378
Public Safety	0	0	0	0
Public Works	5,000	36,208	36,208	0
Health	0	0	0	0
Capital Outlay	610,000	870,018	275,910	594,108
<i>Total Disbursements</i>	<u>\$ 1,800,594</u>	<u>\$ 2,146,343</u>	<u>\$ 1,448,857</u>	<u>\$ 697,486</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(454,748)</u>	<u>(288,276)</u>	<u>379,474</u>	<u>667,750</u>
Other Financing Sources (Uses)				
Sale of Notes	\$ 0	\$ 190,000	\$ 190,000	\$ 0
Transfers In	80,160	55,161	55,161	0
Transfers Out	(613,000)	(574,000)	(574,000)	0
Other Financing Sources	161	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(532,679)</u>	<u>(328,839)</u>	<u>(328,839)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(987,427)	(617,115)	50,635	667,750
<i>Fund Balance Beginning of Year</i>	3,282,528	3,282,528	3,282,528	0
<i>Prior Year Encumbrances Appropriated</i>	25,218	25,218	25,218	0
<i>Fund Balance End of Year</i>	<u>\$ 2,320,319</u>	<u>\$ 2,690,631</u>	<u>\$ 3,358,381</u>	<u>\$ 667,750</u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police District
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Taxes	\$ 933,295	\$ 1,128,895	\$ 1,174,245	\$ 45,350
License, Permits and Fees	85	32	32	0
Fines and Forfeitures	1,300	1,698	1,698	0
Intergovernmental	178,604	176,018	186,804	10,786
Miscellaneous	36,321	21,157	21,157	0
<i>Total receipts</i>	<u>\$ 1,149,605</u>	<u>\$ 1,327,800</u>	<u>\$ 1,383,936</u>	<u>\$ 56,136</u>
Disbursements				
Current:				
Public Safety	\$ 1,659,609	\$ 1,664,729	\$ 1,543,664	\$ 121,065
Capital Outlay	63,500	63,500	8,048	55,452
<i>Total Disbursements</i>	<u>\$ 1,723,109</u>	<u>\$ 1,728,229</u>	<u>\$ 1,551,712</u>	<u>\$ 176,517</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(573,504)	(400,429)	(167,776)	232,653
Other Financing Sources (Uses)				
Sale of Fixed Assets	\$ 0	\$ 5,120	\$ 5,120	\$ 0
Transfers In	550,000	511,000	511,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>550,000</u>	<u>516,120</u>	<u>516,120</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(23,504)	115,691	348,344	232,653
<i>Fund Balance Beginning of Year</i>	177,188	177,188	177,188	0
<i>Prior Year Encumbrances Appropriated</i>	12,032	12,032	12,032	0
<i>Fund Balance End of Year</i>	<u><u>\$ 165,716</u></u>	<u><u>\$ 304,911</u></u>	<u><u>\$ 537,564</u></u>	<u><u>\$ 232,653</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,838,424	\$ 1,843,755	\$ 1,961,606	\$ 117,851
Charges for Services	289,025	232,928	232,927	(1)
Intergovernmental	320,943	316,898	296,683	(20,215)
Miscellaneous	5,500	12,433	12,432	(1)
<i>Total receipts</i>	<u>\$ 2,453,892</u>	<u>\$ 2,406,014</u>	<u>\$ 2,503,648</u>	<u>\$ 97,634</u>
Disbursements				
Current:				
Public Safety	\$ 2,496,749	\$ 2,507,310	\$ 2,226,509	\$ 280,801
Capital Outlay	58,955	138,955	131,626	7,329
<i>Total Disbursements</i>	<u>\$ 2,555,704</u>	<u>\$ 2,646,265</u>	<u>\$ 2,358,135</u>	<u>\$ 288,130</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(101,812)	(240,251)	145,513	385,764
<i>Net Change in Fund Balance</i>	(101,812)	(240,251)	145,513	385,764
<i>Fund Balance Beginning of Year</i>	1,658,099	1,658,099	1,658,099	0
<i>Prior Year Encumbrances Appropriated</i>	<u>42,874</u>	<u>42,874</u>	<u>42,874</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 1,599,161</u></u>	<u><u>\$ 1,460,722</u></u>	<u><u>\$ 1,846,486</u></u>	<u><u>\$ 385,764</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Harson TIF
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 88,000	\$ 92,199	\$ 92,199	\$ 0
Intergovernmental	16,805	16,805	16,804	(1)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total receipts</i>	<u>\$ 104,805</u>	<u>\$ 109,004</u>	<u>\$ 109,003</u>	<u>\$ (1)</u>
Disbursements				
Current:				
Capital Outlay	\$ 700	\$ 1,807	\$ 1,807	\$ 0
Debt Service: Principal Retirement	29,430	29,430	29,430	0
Interest and Fiscal Charges	<u>147,149</u>	<u>147,149</u>	<u>147,149</u>	<u>0</u>
<i>Total Disbursements</i>	<u>\$ 177,279</u>	<u>\$ 178,386</u>	<u>\$ 178,386</u>	<u>\$ 0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(72,474)	(69,382)	(69,383)	(1)
<i>Net Change in Fund Balance</i>	(72,474)	(69,382)	(69,383)	(1)
<i>Fund Balance Beginning of Year</i>	100,005	100,005	100,005	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 27,531</u></u>	<u><u>\$ 30,623</u></u>	<u><u>\$ 30,622</u></u>	<u><u>\$ (1)</u></u>

See accompanying notes to the basic financial statements

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 1 – Reporting Entity

The Butler Township, Montgomery County, Ohio (the Township), is a body politic and corporate established in 1817 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The 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.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, fire protection, police protection, and zoning.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The township does not consist of any component units, which are legally separate organizations for which the township is financially accountable.

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in a joint venture with the City of Dayton known as the Butler Township – Dayton Joint Economic Development District (JEDD), which the Township and the City have entered into the contract to create and provide for the operation of the JEDD agreement in accordance with Sections 715.72 through 715.83 of the Revised Code for their mutual benefit and for the benefit of their residents and the State of Ohio. (as mentioned in note19) A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures. Note 14 to the financial statements provide additional information for JEDD. The Township participates in one public entity risk pool. Note 15 to the financial statements provide additional information for The Ohio Plan.

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

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash and investment balances 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 activity is self-financing on a 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 and enterprise 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.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

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

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 in 2008 and 2007, were the General, Police District, Fire District and Miscellaneous Special Revenue – Harson TIF funds.

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.

Police District Fund – This fund receives property tax money for the operation of the Township's police department.

Fire District Fund – This fund receives property tax money and revenue generated from the emergency medical services it provides.

Miscellaneous Special Revenue – Harson Fund – A TIF is a redirection of property taxes into a special fund that is used to pay off bonds sold to make public improvements.

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

C. Basis of Accounting

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

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

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

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

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

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

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds.

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".

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 was \$221,154, and \$638 to other funds. Interest receipts credited to the General Fund during 2007 was \$368,494 and \$975 to other funds.

In 2008 and 2007, the Township invests in a money market mutual and U.S. Treasury/Agency Securities through Fifth Third Securities, Inc., a registered broker-dealer, who is a wholly owned subsidiary of Fifth Third Bank. The Township's money market mutual fund is reported at the amount reported by the Township's financial institution. U.S. Treasury Bills are reported at the cost of the investment.

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

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

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

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township does not have any restricted assets.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. 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.

K. Long-Term Obligations

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

L. 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.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

The Township first applies restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance, which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in 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, Police district, Fire district and Miscellaneous Special Revenue – Harson TIF funds, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2008 (budget basis) amounted to \$137,340 for the general fund, \$20,880 for the police district, \$30,533 for the fire district, and \$0 for Harson TIF; encumbrances outstanding at December 31, 2007 (budget basis) amounted to \$21,739 for the General fund, \$24,794 Police District, \$85,586 for the Fire District, and \$0 for Harson TIF.

Note 4 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained 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 Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 4 – Deposits and Investments (Continued)

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

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

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

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

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 4 – Deposits and Investments (Continued)

Deposits

At year-ended December 31 2008, the carrying amount of the Township's deposits was \$6,733,130 and the bank balance was \$6,901,427. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures" \$6,651,427 was exposed to custodial risk as discussed below, while \$250,000 was covered by Federal Depository Insurance Corporation. At year-ended December 31, 2007, the carrying amount of the Township's deposits was \$5,220,594, and the bank balance was \$5,251,213. Of the bank balance \$5,151,213 was exposed to custodial risk as discussed below, while \$100,000 was covered by Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned. All deposits are collateralized with eligible securities in the amounts equal to at least 105% of carrying value of the deposits. Such collateral, as permitted by the Ohio revised code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name or the respective depository bank and pledged as a poll of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township.

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.

Investments

Interest rate risk arises because the fair value of investments changes as interest rates change. 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 that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit risk - the Money Market Fund carries a rating of AAA by Standard and Poor's and AAA by Moody's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Township's name. The Township has an investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Butler Township
 Montgomery County
Notes to the Financial Statements
 For the Years Ended December 31, 2008 and 2007

Note 4 – Deposits and Investments (Continued)

As of December 31, 2008 and 2007, the Township had the following investments:

	2008		2007	
	Market Value	Maturity	Market Value	Maturity
U.S. Treasury Bill	\$1,062,474	6/10/11	\$765,237	8/14/09
U.S. Treasury Bill	810,187	8/15/12	995,630	4/06/09
Fifth Third Money Mkt	53,330	daily	57,004	daily
Total Portfolio at Cost	<u>\$1,925,991</u>		<u>\$1,817,872</u>	

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.

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, 2006, 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 2008 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 assessed values of real property, public utility property, and tangible personal property upon which 2008 and 2007 property tax receipts were based are as follows:

	2008	2007
Real Property		
Residential/Agriculture	\$212,637,120	\$210,049,230
Commercial/Industrial	38,199,210	42,085,460
Public Utility Real	92,770	91,000
Public Utility Personal	94,711,710	7,451,330
Tangible	<u>5,058,989</u>	<u>6,758,310</u>
Total Assessed Value	<u>\$260,699,799</u>	<u>\$266,435,330</u>

Butler Township
 Montgomery County
Notes to the Financial Statements
 For the Years Ended December 31, 2008 and 2007

Note 6 – Risk Management

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs.

The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible. The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claim occurring during their membership period. Former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan. Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2007 and 2006 (the latest information available):

2007	2006	
Assets \$11,136,455		\$9,620,148
Liabilities (4,273,553)	(3,329	,620)
Retained Earnings	\$6,862,902	\$6,290,528

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

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, the member-directed plan is 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, in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 7 – Defined Benefit Pension Plan (Continued)

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008 and 2007, member and contribution rates were consistent across all three plans, law enforcement and public safety divisions exist only within the traditional plan. The 2008 and 2007, member contribution rates were 10.0 and 9.5 percent, respectively, for members in State and local classifications. Public Safety and law enforcement members contributed 10.1 and 9.75 percent, respectively.

The Township's contribution rate for 2008 and 2007, was 14.0 percent and 13.85 percent, for 2008 and 2007, respectively, except for those plan members in law enforcement or public safety, for whom the Township contribution was 17.4 and 17.17, percent, respectively, of covered payroll.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2008, 2007, and 2006 were \$460,635, \$432,440, and \$426,307, respectively. The full amount has been contributed for 2008, 2007 and 2006.

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 to fund pension obligations 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 \$171,646, \$213,284 and \$214,106 for the years ended December 31, 2008, 2007 and 2006. The full amount has been contributed for 2008, 2007 and 2006.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14 percent of covered payroll, and public safety and law enforcement employers contributed at 17.4 percent. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7 percent of covered payroll. For 2007, the employer contribution allocated to the health care plan for January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5 percent and 6 percent of covered payroll, respectively.

The Township's contributions to OPERS to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$184,254, \$285,410, and \$204,62, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and Employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 8 - Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for 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. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$48,232, \$59,932, and \$69,156, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 9 - Debt

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

	Interest Rate %	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
<u>Governmental Activities</u>						
Tax Increment Revenue Bonds (1)	4.0	224,000	0	53,000	171,000	\$61,840
Tax Increment Revenue Bonds (2)	4.6	0	1,300,000	0	1,300,000	\$0
TIF - Harson 1	5.0	904,345	0	29,613	874,732	\$74,829
TIF - Harson 2	5.0	2,009,205	0	65,791	1,943,414	\$166,251
National City - Emergency Equip	4.91	190,000	0	20,000	170,000	\$29,247
Total Governmental Activities		\$3,327,550	\$1,300,000	\$168,404	\$4,459,146	\$332,167

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate %	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>						
Tax Increment Revenue Bonds (1)	4.0	274,000	0	50,000	224,000	\$61,960
TIF - Harson 1	5.0	913,480	0	9,135	904,345	\$74,830
TIF - Harson 2	5.0	2,029,500	0	20,295	2,009,205	\$166,251
National City Emergency Equip TIF	4.91	0	190,000	0	190,000	\$33,537
Total Governmental Activities		\$3,216,980	\$190,000	\$79,430	\$3,327,550	\$336,578

Amortization of the above debt, including interest is as follows:

Year	Tax Increment Revenue Bonds (1) And (2)	Emergency Equipment National City	Tax Increment Revenue Bonds Harson 1	Tax Increment Revenue Bonds Harson 2
2009	\$61,480	\$29,247	\$74,829	\$166,251
2010	61,640	29,321	74,830	166,252
2011	250,727	29,240	74,831	166,251
2012	59,000	29,311	74,830	166,252
2013	59,800	29,323	74,831	166,253
2014-2018	640,880	58,546	374,149	831,258
2019-2023	641,260	0	374,148	831,258
2024-2028	508,820	0	224,491	498,755
Totals	\$2,283,607	\$204,988	\$1,346,939	\$2,992,530

The Township sold Tax Increment Revenue Bonds (TIF) (1) to Montgomery County in 2004 for \$415,000 for the improvement of road infrastructure with the Township. These are eight year bonds with a 4% interest rate.

The Township sold Tax Increment Revenue Bonds (TIF) (2) to Montgomery County in 2008 for \$1,300,000 for the improvement of road infrastructure with the Township. These are twenty year bonds with a 4.6% interest rate. Interest payments only starting in year 2011. Principal and interest payments starting in 2015.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 9 – Debt (Continued)

National City Bank - The Township purchased emergency equipment, interest rate of 4.91%. Principal payment paid annually; with semi-annual interest payments through December 2015.

The Township has created three (4) Tax Increment Finance Districts (TIF) to assist the private sector with the construction of public improvements, specifically the construction of new streets and the installation of public infrastructure. In the case of the Sudachi Drive TIF, the Township financed that project out of unencumbered general fund money (see below.) The other three (3) TIF (Harson 1, and Harson 2, Morris) projects were financed through the sale of bonds, secured by a service agreement. The Township is acting as a conduit in collecting receipts from the County Auditor and through guaranteed payments as specified by the security agreement. As of December 31, 2008 the aggregate principal outstanding on these bonds was \$4,220,716.

In addition, in 2004 the Township sold \$319,200 in Tax Increment Revenue Bonds to its own General Fund. This debt is not presented above as the improvement for infrastructure has been made and financed by the General Fund. As the additional Tax Revenue is received from the County auditor, this debt is being repaid to the General Fund through TIF funding; and guaranteed through a service contract with Van-Con. The bond anticipation note is not backed by the full faith and credit of the Township, but rather by Van-Con; and is scheduled to be repaid in 2010.

The Township’s long-term debt (TIF) activity for the year ended December 31, 2008, is as follows:

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Tax Increment Revenue Bonds-GF	\$150,230	\$0	\$47,660	\$102,570	\$55,159
Total Governmental Activities	<u>\$150,230</u>	<u>\$0</u>	<u>\$47,660</u>	<u>\$102,570</u>	<u>\$55,159</u>

The Township’s long-term conduit debt (TIF) activity for the year ended December 31, 2007, is as follows:

	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2007</u>	Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Tax Increment Revenue Bonds-GF	\$195,610	\$0	\$45,380	\$150,230	\$55,152
Total Governmental Activities	<u>\$195,610</u>	<u>\$0</u>	<u>\$45,380</u>	<u>\$150,230</u>	<u>\$55,152</u>

The following is a summary of the Township’s conduit debt (TIF) activity for the year ended December 31:

Year	Tax Increment Revenue Bonds General Fund
2009	55,159
2010	55,167
Totals	<u>\$110,326</u>

Butler Township
 Montgomery County
Notes to the Financial Statements
 For the Years Ended December 31, 2008 and 2007

Note 10 – Leases

At December 31, 2008, the Township had the following leases. These leases were for building additions and a fire truck. The original cost of these assets acquired under the leases was \$573,107. The following is a schedule of future minimum lease payments with the present value of the net minimum lease payments as of December 31:

Year	Lease Payment
2009	\$ 49,647
2010	49,647
2011	24,824
Minimum Lease Payments	\$124,118
Less amount representing interest	10,221
Present Value of Minimum Lease Payments	\$113,897

Note 11 – Interfund Transfers

During 2008 and 2007 the following transfers were made:

	2008	2007
Transfers from the General Fund to:		
Major Governmental Fund (Police)	\$ 0	\$511,000
Other Governmental Funds	93,000	63,000
Total Transfers	\$ 93,000	\$574,000
Transfer to General Fund from:		
Other Governmental Funds		
Sudachi TIF	55,171	55,161
Total Transfers	\$148,171	\$629,161

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers from TIF funds represent repayment of note to the general fund for financing. The Township is acting as a conduit in collecting receipts and through guaranteed payments as specified by security agreements.

Note 12 – Construction and Contractual Commitments

The Township began construction of Towne Center Drive, a new north/south connector road between Benchwood Road and York Commons Blvd. This is a TIF funded project (Morris TIF). The project will be completed in the spring of 2009.

Butler Township
Montgomery County
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

Note 13 – Contingent Liabilities

As of December 31, 2008, the Township is a defendant in various cases. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not have a material adverse affect on the Township's financial condition.

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

Note 14 – Jointly Governed Organizations

The Butler Township – City of Dayton Joint Economic Development (JEDD), was created to facilitate economic development and preserve jobs and employment opportunities. A Board of Directors has been established, which include one member representing the City; one representing the Township; one representing owners of businesses within the territory; one representing persons working within the territory; and one member selected by the above-described members. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements.

Note 15 – Public Entity Risk Pool

- THE OHIO PLAN

The Ohio Plan is a risk pooling group providing property and casualty insurance coverage for small political subdivisions including townships, and is governed by a Board of Directors comprised of public officials selected from the membership. The Board contracts with an administrator, which provides sales, service, underwriting, risk control, accounting, and claims service for the Plan.

The purpose of the Ohio Plan is to jointly exercise powers common to each participating member to establish and administer a risk management program; (Ohio Revised Code 2744) to prevent or lessen the incidence and severity of losses occurring from the activities of the members; and to defend and protect members of the Ohio Plan against allegations of negligence or loss.

Pursuant to section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides, Property, Liability, Wrongful Acts, Law Enforcement, Automobile, Bond, Crime, Inland Marine, Fire Vehicle RC, EDP, Governmental Medical Liability, Employee Benefits Liability, and Automobile Liability, and other coverage's. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the member's deductible.

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

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**MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

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

Butler Township
Montgomery County
8524 North Dixie Drive
Dayton, Ohio 45414

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Butler Township, Montgomery County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 21, 2009, wherein, we noted the Township uses a comprehensive accounting basis other 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2006-002.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. However, we believe the significant deficiency described in item 2008-002 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2008-001 through 2008-002.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

July 21, 2009

BUTLER TOWNSHIP
MONTGOMERY COUNTY
Schedule of Findings
For the Years Ended December 31, 2008 and 2007

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

FINDING NUMBER 2008-001

Ohio Rev. Code Section 5705.41 (D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the Township.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super blanket certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

BUTLER TOWNSHIP
MONTGOMERY COUNTY
Schedule of Findings
For the Years Ended December 31, 2008 and 2007

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

FINDING NUMBER 2008-001, Continued

Unless the exception noted above is used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Township's Fiscal Officer certify that the funds are or will be available prior to the obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

Disbursement testing revealed that the Township issued "then and now" purchase orders for amounts over the \$3,000 limitation imposed by the Ohio Revised Code, 59 in 2008 and 78 in 2007. There were also several instances when purchase orders were issued after the incurrence of an expense where it would have been appropriate

Response: The Fiscal Officer will review the proper use of purchase orders.

FINDING NUMBER 2006-002

Township Books and Records

Ohio Admin Code Section 117-2 provides that the Fiscal Officer shall keep the books of the Township; exhibit accurate statements of all monies received and expended, and maintain records of all property owned by the Township and income derived. In addition, Ohio Admin Code Section 117-2-02(A) states that all public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets and liabilities, document compliance with finance relate legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the administrative code. The following items were noted:

- Adjustments were required to properly reflect principal and interest payments of debt
- Miscellaneous receipts required adjustment to properly reflect sale of assets
- Sale of Bonds were adjusted to properly record the TIF activity

We recommend the Township properly reflect all debt activity of the Township and record budgetary amendments as made. Implementation of these procedures will add a substantial measure of control to the receipt and expenditure process, as well as provide assurance that the activity is properly handled and fairly presented on the Township's ledgers and financial reports. The Township has made these adjustments to their books and the adjustments are reflected in the financial statements.

Response: The Township will review its current accounting methods and implement changes where needed.

BUTLER TOWNSHIP
MONTGOMERY COUNTY
Schedule of Prior Audit Findings
Fiscal Year End December 31, 2008 and 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different, Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2006-001	Ohio Rev. Code Section 5705.41(D) - Certification of Available Funds	No	Reissued as Finding Number 2008-001
2006-002	Township did not properly classify receipt and disbursement transactions related to TIF debt and improvements	No	Reissued as Finding Number 2008-02



Mary Taylor, CPA
Auditor of State

BUTLER TOWNSHIP
MONTGOMERY 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
OCTOBER 6, 2009