

BEAVERCREEK TOWNSHIP

GREENE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006



Mary Taylor, CPA
Auditor of State

Board of Trustees
Beavercreek Township
1981 Dayton Xenia Road
Beavercreek, Ohio 45434

We have reviewed the *Independent Accountants' Report* of Beavercreek Township, Greene County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2006 through December 31, 2007. 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. Beavercreek Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 19, 2008

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**Beavercreek Township
Greene County**

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Greene County**

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

INDEPENDENT ACCOUNTANTS' REPORT

Beavercreek Township
Greene County
1981 Dayton-Xenia Road
Beavercreek, Ohio 45434

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 Beavercreek Township, Greene County, (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basis 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 modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the 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 Beavercreek Township, Greene County, Ohio, as of December 31, 2007 and 2006 and the respective changes in cash financial position and the respective budgetary comparison for the General, Fire, and the EMS Medic Services funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. See Note 3 Change in basis of accounting and restatement of fund equity.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

September 18, 2008

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Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

This discussion and analysis of Beavercreek Township, Greene County financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$3,518,998, or 55%, the fund most affected by the changes in cash and cash equivalents was the General Fund. In 2007, the Trustees sold 89 acres of land for \$1,980,000. This is a significant increase to sale of fixed assets compared to 2006, in which the Township realized \$238,737. Other increases include a \$329,231 increase in property taxes due to rising property values and an increase in the number of homes. Earnings on Investments saw a \$120,287 increase which was driven by a higher interest rate earned combined with higher average account balances.

The Township's general receipts are primarily property taxes and sale of fixed assets. These receipts represent 62% and 14%, respectively, of the total cash received for governmental activities during the year. Total general receipts for 2007 were \$11,316,183.

The Township's administrative office was reorganized to improve work efficiency and reduce operating costs. This resulted in the elimination of one full-time administrative employee.

Following the retirement of the Road Superintendent, the Township Maintenance Coordinator was promoted to the position, and the Coordinator position was eliminated.

Major equipment purchased included a new ambulance and Advance Life Support vehicle for the Fire Department and a new Chevrolet pick-up truck and road repair equipment (Durapatch) for the Road Department.

A 5-year \$2.0 mil renewal Fire Levy was passed in November 2007.

Several part-time fire fighters were hired to bring the Fire Department back up to full staff following the layoff of personnel in 2005. The Fire Department entered into a contract with a new ambulance billing company in August 2007 to improve the ambulance billing process and reduce costs.

The Lofino Senior Citizens Center roof repair was completed for a cost of \$50,000. This major undertaking required financial resources from both the Township and the City of Beavercreek on a 50/50 basis.

Real estate property values in the Township have remained fairly stable despite the national downturn in the real estate market and the economy in general.

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Highlights (continued)

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$1,964,725, or 44%. The fund most affected by the changes in cash and cash equivalents was the Fire Fund which saw an increase in the amount of taxes received. This was primarily fueled by an increase in property taxes due to continued development and growth of the community. In addition, the General Fund had a significant increase in Earnings on Investments due to 2006 being the Township's first full year in a higher-earning bank sweep account and an increase in interest rates.

The Township's general receipts are primarily property taxes. These receipts represent 71% of the total cash received for governmental activities during the year. Total general receipts for 2006 were \$9,105,760.

In early 2006, the Township Administration Office experienced heavy turnover in personnel, including installing a new Fiscal Officer to fulfill the remaining term of the former Fiscal Officer who moved out-of-state in late 2005. Significant improvements were made in the Township administration and accounting procedures. Tighter controls of expenditures were implemented and maintained for the majority of 2006 until the new Fiscal Officer and staff could investigate the impact of the financial recordkeeping practices of the former Fiscal Offices and staff.

In addition, a failed Fire Levy in 2005 resulted in the lay-off of several part-time fire fighters as well as demotion of a few lieutenants to regular fire fighter positions. The Levy finally passed when it was put back on the ballot in 2006.

Using the Basic Financial Statements

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

Report Components

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

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

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

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Report Components (continued)

Basis of Accounting

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

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

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net assets and the statement of activities, the Township consists of one type activity:

Governmental activities: The Township's basic services are reported here, including general governmental services, emergency rescue services, fire protection and road maintenance. State and federal grants, property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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. The funds of the Township are split into two categories: governmental and fiduciary.

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

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

The Government as a Whole

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

(Table 1)
Net Assets

	<u>Governmental Activities</u>	
	2007	2006
Assets		
Equity in Pooled Cash and Cash Equivalents	9,989,306	6,470,307
Total Assets	\$9,989,306	\$6,470,307
Net Assets		
Restricted for:		
Capital Outlay	656,989	540,710
Other Purposes	6,451,489	5,282,165
Unrestricted	2,880,828	647,432
Total Net Assets	\$9,989,306	\$6,470,307

As mentioned previously, net assets of governmental activities increased \$3,518,999 or 54% during 2007. The primary reasons contributing to the increase in cash balances are as follows:

Actual financial performance in all Major funds exceeded budgeted amounts and the trustees sold 89 acres of land for \$1,980,000. The proceeds of the sale are being held for future land purchases.

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The Government as a Whole (continued)

Table 2 reflects the changes in net assets in 2007 and 2006 for governmental activities. This is the first time the Township has presented their financial statements in the GASB 34 format. In future years, a comparison to the prior year will be shown.

(Table 2)

Changes in Net Assets

	Governmental Activities	
	2007	2006
Program Receipts:		
Charges for Services and Sales	1,087,121	1,079,718
Operating Grants and Contributions	1,032,881	1,050,225
Capital Grants and Contributions	0	309,444
Total Program Receipts	2,120,002	2,439,387
General Receipts:		
Property and Other Local Taxes	8,448,262	8,214,542
Grants and Entitlements Not Restricted		
to Specific Programs	408,423	340,970
Sale of Fixed Assets	1,980,000	238,737
Cable Franchise Fees	52,332	44,985
Interest	325,444	205,157
Miscellaneous	101,722	61,370
Total General Receipts	11,316,183	9,105,761
Total Receipts	13,436,185	11,545,148
Disbursements:		
General Government	892,765	1,114,219
Public Safety	7,694,862	7,024,498
Public Works	841,271	615,708
Public Health Services	39,295	27,884
Conservation - Recreation	134,292	125,453
Other	145,956	0
Capital Outlay	101,007	608,236
Bond Principal Retirement	50,000	45,000
Bond Interest	17,738	19,425
Total Disbursements	9,917,186	9,580,423
Increase in Net Assets	3,518,999	1,964,725
Net Assets, January 1	6,470,307	4,505,582
Net Assets, December 31	\$9,989,306	\$6,470,307

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The Government as a Whole (continued)

Program receipts represent only 15 percent and 21 percent of total receipts for 2007 and 2006, respectively and are primarily comprised of restricted intergovernmental receipts and such as charges for emergency rescue services; and township levied permissive motor vehicle license tax,

General receipts represent 85 percent and 79 percent of the Government's total receipts for 2007 and 2006, respectively and of this amount, over 75 percent and 90 percent, are local taxes. State and federal grants and entitlements, the sale of fixed assets, and interest and miscellaneous income make up the balance of the Government's general receipts of 24 percent and 9 percent, respectively for 2007 and 2006. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the administrative costs for the emergency rescue service, zoning compliance, board of trustees, fiscal officer as well as other internal services. Since these costs do not represent direct services to residents, we try to control these costs which are 9 percent and 12 percent for years 2007 and 2006, respectively.

Disbursements for Public Safety includes the costs of fire protection and emergency medical services, Public Works includes the costs of maintaining the roads and the Beaver Cemetery, Health includes the costs of the Greene County Combined Health Department, Conservation-Recreation includes the costs of maintaining the parks and playing fields, and Debt Service includes the costs for the principal and interest due on a bond debenture associated with the Lofino Senior Citizens Center in Beavercreek Ohio.

Governmental Activities

If you look at the Statements of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety, which account for 78% and 73% of all governmental disbursements, for 2007 and 2006, respectively. General government also represents significant costs, which account for 9% and 12% of all government disbursements, for 2007 and 2006, respectively. 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 Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which 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.

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The Government as a Whole (continued)

(Table 3)
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	892,765	868,578	1,114,219	1,091,695
Public Safety	7,694,862	5,813,573	7,024,498	4,857,732
Public Works	841,271	646,543	615,708	391,929
Health	39,295	20,097	27,884	1,866
Conservation-Recreation	134,292	133,692	125,453	125,153
Other	145,956	145,956	0	0
Capital Outlay	101,007	101,007	608,236	608,236
Debt Service:				
Principal	50,000	50,000	45,000	45,000
Interest	17,738	17,738	19,425	19,425
Total Expenses	<u>9,917,186</u>	<u>7,797,184</u>	<u>9,580,423</u>	<u>7,141,036</u>

The dependence upon property tax receipts is apparent in 2007 and 2006 as over 88 percent are governmental activities which are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$13,436,185 and \$11,545,147 for 2007 and 2006, respectively, and disbursements of \$9,917,186 and \$9,580,423 for 2007 and 2006, respectively. The greatest change within governmental funds occurred within the Fire Fund and the General Fund. The fund balance for the Fire Fund increased by \$1,271,122 and \$1,913,411 for 2007 and 2006, respectively, as a result of increased property tax receipts and controlled costs in both years. The General Fund increased by \$2,233,396 and \$152,458 for 2007 and 2006, respectively, as a result of the sale of acreage.

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 funds are the General Fund, Fire, and EMS Medic Service fund.

For 2007 final budgeted receipts were the same as the original budgeted receipts, for 2006 the Township amended its budget to reflect changing circumstances. Actual receipts of \$13,633,388 were over the budgeted amount of \$12,069,608 for 2007 and for 2006 actual receipts of \$12,040,695 were over the budgeted amount of \$10,426,233.

Disbursements for 2007 were appropriated at \$17,557,929 while actual disbursements were \$10,114,389. While disbursements for 2006 were appropriated at \$14,501,589 while actual disbursements were \$10,075,970. The Township appropriates all available revenues but spends conservatively. The Township keeps a close monitoring on all disbursements to prevent having to request additional funds from taxpayers.

Beavercreek Township
Greene County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township maintains an inventory of its capital assets for insurance purposes. The Township uses the Uniform Accounting Network program provided by the State of Ohio Auditor's Office in order to accomplish this task.

Debt

At December 31, 2007, the Township's outstanding debt included \$335,000 in a general obligation bond issued for improvements to the Lofino Senior Citizens Center. For further information regarding the Township's debt, refer to Note 11 to the basic financial statements.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and ambulance billings and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases will be unlikely. Our newly prepared financial forecast does not predict a deficit for 2008; but the administration will still continue to closely control costs for the years ahead.

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 Government's finances and to reflect the Government'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 Christy L. Ahrens, Fiscal Officer, Beavercreek Township, 1981 Dayton-Xenia Road, Beavercreek Ohio 45434.

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Beavercreek Township
Greene County
Statement of Net Assets - Modified Cash Basis
December 31, 2007

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	9,989,306	9,989,306
<i>Total Assets</i>	9,989,306	9,989,306
 Net Assets		
Restricted For:		
Capital Projects	656,989	656,989
Other Purposes	6,451,489	6,451,489
Unrestricted	2,880,828	2,880,828
<i>Total Net Assets</i>	9,989,306	9,989,306

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2007

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	892,765	24,187	0	(868,578)
Public Safety	7,694,862	1,026,139	855,150	(5,813,573)
Public Works	841,271	16,997	177,731	(646,543)
Health	39,295	19,198	0	(20,097)
Conservation-Recreation	134,292	600	0	(133,692)
Other	145,956	0	0	(145,956)
Capital Outlay	101,007	0	0	(101,007)
Debt Service:				0
Principal	50,000	0	0	(50,000)
Interest	17,738	0	0	(17,738)
<i>Total Governmental Activities</i>	<u>9,917,186</u>	<u>1,087,121</u>	<u>1,032,881</u>	<u>(7,797,184)</u>
General Receipts				
Property Taxes				8,448,262
Grants and Entitlements not Restricted to Specific Programs				408,423
Sale of Fixed Assets				1,980,000
Cable Franchise Fee				52,332
Interest				325,444
Miscellaneous				101,722
<i>Total General Receipts</i>				11,316,183
Change in Net Assets				3,518,999
<i>Net Assets Beginning of Year</i>				<u>6,470,307</u>
<i>Net Assets End of Year</i>				<u><u>9,989,306</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Fire</u>	<u>EMS Medic Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	2,880,828	4,952,121	520,662	1,635,695	9,989,306
<i>Total Assets</i>	<u>2,880,828</u>	<u>4,952,121</u>	<u>520,662</u>	<u>1,635,695</u>	<u>9,989,306</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	15,501	38,834	0	1,267	55,602
Unreserved:					
General Fund	2,865,327	0	0	0	2,865,327
Special Revenue Funds	0	4,913,287	520,662	977,439	6,411,388
Capital Projects Funds	0	0	0	656,989	656,989
<i>Total Fund Balances</i>	<u>2,880,828</u>	<u>4,952,121</u>	<u>520,662</u>	<u>1,635,695</u>	<u>9,989,306</u>

See accompanying notes to the basic financial statements

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

	General	Fire	EMS Medic Services	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	753,560	6,788,414	0	923,284	8,465,258
Charges for Services	0	0	1,001,407	0	1,001,407
Licenses, Permits and Fees	74,229	24,047	0	10,923	109,199
Fines and Forfeitures	2,757	0	0	0	2,757
Intergovernmental	408,423	776,650	0	256,231	1,441,304
Interest	321,238	0	0	4,206	325,444
Miscellaneous	65,934	33,449	0	11,433	110,816
<i>Total Receipts</i>	<u>1,626,141</u>	<u>7,622,560</u>	<u>1,001,407</u>	<u>1,206,077</u>	<u>11,456,185</u>
Disbursements					
Current:					
General Government	892,765	0	0	0	892,765
Public Safety	0	6,188,104	1,098,051	408,707	7,694,862
Public Works	83,291	0	0	757,980	841,271
Health	22,199	0	0	17,096	39,295
Conservation-Recreation	134,292	0	0	0	134,292
Other	145,956	0	0	0	145,956
Capital Outlay	60,373	0	0	40,634	101,007
Debt Services:					
Principal	0	0	0	50,000	50,000
Interest	0	0	0	17,738	17,738
<i>Total Disbursements</i>	<u>1,338,876</u>	<u>6,188,104</u>	<u>1,098,051</u>	<u>1,292,155</u>	<u>9,917,186</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>287,265</u>	<u>1,434,456</u>	<u>(96,644)</u>	<u>(86,078)</u>	<u>1,538,999</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	1,980,000	0	0	0	1,980,000
Transfers In	0	0	0	197,203	197,203
Transfers Out	(33,869)	(163,334)	0	0	(197,203)
<i>Total Other Financing Sources (Uses)</i>	<u>1,946,131</u>	<u>(163,334)</u>	<u>0</u>	<u>197,203</u>	<u>1,980,000</u>
<i>Net Change in Fund Balances</i>	2,233,396	1,271,122	(96,644)	111,125	3,518,999
<i>Fund Balances Beginning of Year</i>	<u>647,432</u>	<u>3,680,999</u>	<u>617,306</u>	<u>1,524,570</u>	<u>6,470,307</u>
<i>Fund Balances End of Year</i>	<u><u>2,880,828</u></u>	<u><u>4,952,121</u></u>	<u><u>520,662</u></u>	<u><u>1,635,695</u></u>	<u><u>9,989,306</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	605,798	605,798	753,560	147,762
Licenses, Permits, and Fees	22,725	22,725	74,229	51,504
Fines and Forfeitures	100	100	2,757	2,657
Intergovernmental	327,012	327,012	408,423	81,411
Interest	70,000	70,000	321,238	251,238
Miscellaneous	0	0	65,934	65,934
<i>Total receipts</i>	<u>1,025,635</u>	<u>1,025,635</u>	<u>1,626,141</u>	<u>600,506</u>
Disbursements				
Current:				
General Government	1,918,847	1,918,847	902,910	1,015,937
Public Works	88,050	88,050	83,291	4,759
Health	22,300	22,300	22,199	101
Conservation-Recreation	159,134	159,134	139,648	19,486
Other	162,200	162,200	145,956	16,244
Capital Outlay	71,062	71,062	60,373	10,689
<i>Total Disbursements</i>	<u>2,421,593</u>	<u>2,421,593</u>	<u>1,354,377</u>	<u>1,067,216</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,395,958)</u>	<u>(1,395,958)</u>	<u>271,764</u>	<u>1,667,722</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	1,980,000	1,980,000	1,980,000	0
Transfers Out	(67,737)	(67,737)	(33,869)	(33,868)
Other Financing Uses	(183,737)	(183,737)	0	(183,737)
<i>Total Other Financing Sources (Uses)</i>	<u>1,728,526</u>	<u>1,728,526</u>	<u>1,946,131</u>	<u>(217,605)</u>
<i>Net Change in Fund Balance</i>	332,568	332,568	2,217,895	1,450,117
<i>Fund Balance Beginning of Year</i>	634,139	634,139	634,139	0
<i>Prior Year Encumbrances Appropriated</i>	<u>13,293</u>	<u>13,293</u>	<u>13,293</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>980,000</u></u>	<u><u>980,000</u></u>	<u><u>2,865,327</u></u>	<u><u>1,450,117</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	6,210,269	6,210,269	6,788,414	578,145
Licenses, Permits, and Fees	10,000	10,000	24,047	14,047
Intergovernmental	779,731	779,731	776,650	(3,081)
Miscellaneous	5,000	5,000	33,449	28,449
<i>Total receipts</i>	7,005,000	7,005,000	7,622,560	617,560
Disbursements				
Current:				
Public Safety	7,035,907	7,035,907	6,226,938	808,969
<i>Total Disbursements</i>	7,035,907	7,035,907	6,226,938	808,969
<i>Excess of Receipts Over (Under) Disbursements</i>	(30,907)	(30,907)	1,395,622	1,426,529
Other Financing Sources (Uses)				
Transfers Out	(163,334)	(163,334)	(163,334)	0
Other Financing Sources	(3,486,758)	(3,486,758)	0	(3,486,758)
<i>Total Other Financing Sources (Uses)</i>	(3,650,092)	(3,650,092)	(163,334)	(3,486,758)
<i>Net Change in Fund Balance</i>	(3,680,999)	(3,680,999)	1,232,288	(2,060,229)
<i>Fund Balance Beginning of Year</i>	3,680,999	3,680,999	3,680,999	0
<i>Fund Balance End of Year</i>	0	0	4,913,287	(2,060,229)

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
EMS Medic Services
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	1,060,900	1,060,900	1,001,407	(59,493)
<i>Total receipts</i>	1,060,900	1,060,900	1,001,407	(59,493)
Disbursements				
Current:				
Public Safety	1,670,970	1,670,970	1,098,051	572,919
<i>Total Disbursements</i>	1,670,970	1,670,970	1,098,051	572,919
<i>Excess of Receipts Over (Under) Disbursements</i>	(610,070)	(610,070)	(96,644)	513,426
<i>Net Change in Fund Balance</i>	(610,070)	(610,070)	(96,644)	513,426
<i>Fund Balance Beginning of Year</i>	463,115	463,115	463,115	0
<i>Prior Year Encumbrances Appropriated</i>	154,191	154,191	154,191	0
<i>Fund Balance End of Year</i>	7,236	7,236	520,662	513,426

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
December 31, 2007

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	5,504
<i>Total Assets</i>	5,504
 Net Assets	
Restricted For:	
Other Purposes	5,504
<i>Total Net Assets</i>	5,504

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Changes in Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2007

	<u>Private Purpose Trust</u>
Additions	
Interest	256
<i>Total Additions</i>	<u>256</u>
 Change in Net Assets	 256
 Net Assets - Beginning of Year	 <u>5,248</u>
 Net Assets - End of Year	 <u><u>5,504</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Net Assets - Modified Cash Basis
December 31, 2006

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	6,470,307	6,470,307
<i>Total Assets</i>	6,470,307	6,470,307
 Net Assets		
Restricted For:		
Capital Projects	540,710	540,710
Other Purposes	5,282,165	5,282,165
Unrestricted	647,432	647,432
<i>Total Net Assets</i>	6,470,307	6,470,307

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2006

	Cash Disbursements	Program Cash Receipts		Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions		Governmental Activities
Governmental Activities					
General Government	1,114,219	22,524	0	0	(1,091,695)
Public Safety	7,024,498	1,013,909	857,567	295,290	(4,857,732)
Public Works	615,708	16,967	192,658	14,154	(391,929)
Health	27,884	26,018	0	0	(1,866)
Conservation-Recreation	125,453	300	0	0	(125,153)
Capital Outlay	608,236	0	0	0	(608,236)
Debt Service:					
Principal	45,000	0	0	0	(45,000)
Interest	19,425	0	0	0	(19,425)
<i>Total Governmental Activities</i>	<u>9,580,423</u>	<u>1,079,718</u>	<u>1,050,225</u>	<u>309,444</u>	<u>(7,141,036)</u>

General Receipts

Property Taxes	8,214,542
Grants and Entitlements not Restricted to Specific Programs	340,970
Sale of Fixed Assets	238,737
Cable Franchise Fees	44,985
Earnings on Investments	205,157
Miscellaneous	61,370

Total General Receipts 9,105,761

Change in Net Assets 1,964,725

Net Assets Beginning of Year 4,505,582

Net Assets End of Year 6,470,307

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	<u>General</u>	<u>Fire</u>	<u>EMS Medic Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	647,432	3,680,999	617,306	1,524,570	6,470,307
<i>Total Assets</i>	<u>647,432</u>	<u>3,680,999</u>	<u>617,306</u>	<u>1,524,570</u>	<u>6,470,307</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	13,293	0	154,191	0	167,484
Unreserved:					
General Fund	634,139	0	0	0	634,139
Special Revenue Funds	0	3,680,999	463,115	983,860	5,127,974
Capital Projects Fund	0	0	0	540,710	540,710
<i>Total Fund Balances</i>	<u>647,432</u>	<u>3,680,999</u>	<u>617,306</u>	<u>1,524,570</u>	<u>6,470,307</u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Fire	EMS Medic Services	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	802,167	6,573,467	0	855,875	8,231,509
Charges for Services	0	0	959,891	0	959,891
Licenses, Permits and Fees	67,732	53,595	0	13,553	134,880
Fines and Forfeitures	165	0	0	0	165
Intergovernmental	340,970	761,673	0	597,996	1,700,639
Earnings on Investments	201,216	0	0	3,942	205,157
Miscellaneous	39,106	14,369	0	20,695	74,170
<i>Total Receipts</i>	<u>1,451,356</u>	<u>7,403,104</u>	<u>959,891</u>	<u>1,492,061</u>	<u>11,306,411</u>
Disbursements					
Current:					
General Government	1,108,772	0	0	5,447	1,114,219
Public Safety	0	5,344,264	1,105,032	575,203	7,024,498
Public Works	0	0	0	615,708	615,708
Health	10,550	0	0	17,334	27,884
Conservation-Recreation	125,453	0	0	0	125,453
Capital Outlay	21,910	0	0	586,326	608,236
Debt Service:					
Principal Retirement	0	0	0	45,000	45,000
Interest and Fiscal Charges	0	0	0	19,425	19,425
<i>Total Disbursements</i>	<u>1,266,685</u>	<u>5,344,264</u>	<u>1,105,032</u>	<u>1,864,443</u>	<u>9,580,423</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>184,671</u>	<u>2,058,840</u>	<u>(145,141)</u>	<u>(372,382)</u>	<u>1,725,988</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	0	234,571	0	4,166	238,737
Transfers In	0	0	0	495,547	495,547
Transfers Out	(32,213)	(380,000)	(83,334)	0	(495,547)
<i>Total Other Financing Sources (Uses)</i>	(32,213)	(145,429)	(83,334)	499,713	238,737
<i>Net Change in Fund Balances</i>	152,458	1,913,411	(228,475)	127,331	1,964,725
<i>Fund Balances Beginning of Year</i>	<u>494,974</u> #	<u>1,767,588</u>	<u>845,781</u>	<u>1,397,239</u>	<u>4,505,582</u>
<i>Fund Balances End of Year</i>	<u>647,432</u>	<u>3,680,999</u>	<u>617,306</u>	<u>1,524,570</u>	<u>6,470,307</u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	612,590	630,867	802,167	171,300
Licenses, Permits, and Fees	22,627	22,627	67,732	45,105
Fines and Forfeitures	100	100	165	65
Intergovernmental	286,620	386,620	340,970	(45,650)
Earnings on Investments	40,000	40,000	201,216	161,216
Miscellaneous	0	0	39,106	39,106
<i>Total Receipts</i>	<u>961,937</u>	<u>1,080,214</u>	<u>1,451,356</u>	<u>371,142</u>
Disbursements				
Current:				
General Government	1,454,407	1,497,692	1,116,215	381,477
Health	0	10,550	10,550	0
Conservation-Recreation	185,749	185,749	125,453	60,296
Capital Outlay	151,393	151,393	27,760	123,633
<i>Total Disbursements</i>	<u>1,791,549</u>	<u>1,845,384</u>	<u>1,279,978</u>	<u>565,406</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(829,612)</u>	<u>(765,170)</u>	<u>171,378</u>	<u>936,548</u>
Other Financing Sources (Uses)				
Sale of Bonds	0	0	0	0
Transfers Out	0	(32,213)	(32,213)	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(32,213)</u>	<u>(32,213)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(829,612)	(797,383)	139,165	936,548
<i>Fund Balance Beginning of Year</i>	<u>494,974</u>	<u>494,974</u>	<u>494,974</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(334,638)</u>	<u>(302,409)</u>	<u>634,139</u>	<u>936,548</u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
Fire
For the Year Ended December 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	6,000,000	6,150,000	6,573,467	423,467
Licenses, Permits, and Fees	2,000	2,000	53,595	51,595
Intergovernmental	660,000	660,000	761,673	101,673
Miscellaneous	128,299	128,299	14,369	(113,930)
<i>Total Receipts</i>	<u>6,790,299</u>	<u>6,940,299</u>	<u>7,403,104</u>	<u>462,805</u>
Disbursements				
Current:				
Public Safety	8,279,865	7,899,865	5,344,264	2,555,601
<i>Total Disbursements</i>	<u>8,279,865</u>	<u>7,899,865</u>	<u>5,344,264</u>	<u>2,555,601</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,489,566)</u>	<u>(959,566)</u>	<u>2,058,840</u>	<u>3,018,406</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	234,450	234,571	121
Transfers Out	0	(380,000)	(380,000)	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(145,550)</u>	<u>(145,429)</u>	<u>121</u>
<i>Net Change in Fund Balance</i>	<u>(1,489,566)</u>	<u>(1,105,116)</u>	<u>1,913,411</u>	<u>3,018,527</u>
<i>Fund Balance Beginning of Year</i>	<u>1,767,588</u>	<u>1,767,588</u>	<u>1,767,588</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>278,022</u>	<u>662,472</u>	<u>3,680,999</u>	<u>3,018,527</u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
EMS Medic Services
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	1,030,000	880,000	959,891	79,891
<i>Total Receipts</i>	<u>1,030,000</u>	<u>880,000</u>	<u>959,891</u>	<u>79,891</u>
Disbursements				
Current:				
Public Safety	1,866,944	1,628,501	1,259,223	369,278
<i>Total Disbursements</i>	<u>1,866,944</u>	<u>1,628,501</u>	<u>1,259,223</u>	<u>369,278</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(836,944)</u>	<u>(748,501)</u>	<u>(299,332)</u>	<u>449,169</u>
Other Financing Sources (Uses)				
Transfers Out	0	(83,334)	(83,334)	0
Other Financing Uses	0	(5,109)	0	5,109
<i>Total Other Financing Sources (Uses)</i>	0	(88,443)	(83,334)	5,109
<i>Net Change in Fund Balance</i>	(836,944)	(836,944)	(382,666)	454,278
<i>Fund Balance Beginning of Year</i>	<u>845,781</u>	<u>845,781</u>	<u>845,781</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>8,837</u></u>	<u><u>8,837</u></u>	<u><u>463,115</u></u>	<u><u>454,278</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
December 31, 2006

	<u>Private Purpose Trust</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>5,248</u>
<i>Total Assets</i>	<u><u>5,248</u></u>
Net Assets	
Restricted for:	
Other Purposes	<u>5,248</u>
<i>Total Net Assets</i>	<u><u>5,248</u></u>

See accompanying notes to the basic financial statements

Beavercreek Township
Greene County
Statement of Changes in Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2006

	Private Purpose Trust
Additions	
Interest	224
<i>Total Additions</i>	224
Change in Net Assets	224
Net Assets - Beginning of Year	5,024
Net Assets - End of Year	5,248

See accompanying notes to the basic financial statements

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Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 – Reporting Entity

The Beavercreek Township, Greene County, Ohio (“the Township”), is a body politic and corporate established in 1803 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 and joint ventures which 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, zoning, fire and emergency medical services, maintenance of Township roads, bridges, library, parks and cemetery maintenance. Police protection is provided by Greene County Sheriff’s Department.

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 has no component units.

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

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 *modified* cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in two joint ventures with the City of Beavercreek and a new joint venture with the City of Fairborn. Note 13 to the financial statements provides additional information for these entities.

The financial statements exclude the following entities which perform activities within the Township’s boundaries for the benefit of its residents because the Township is not financially accountable for these entities: City of Beavercreek, Beavercreek Wetlands Association, and the Beavercreek Township Park District.

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

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

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. The funds of the Township are divided into two categories, governmental and fiduciary.

Governmental Funds

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

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

Fire Fund – The Fire Fund receives tax levy money to pay for fire protection and emergency rescue services and equipment for the use and benefit of Township and City of Beavercreek residents.

Emergency Rescue Service Fund – is used to account for all receipts of property taxes and other revenues enabling the Township to provide public emergency care.

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

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has one Fiduciary Fund, a private purpose trust fund. The fund is related to a cemetery bequest that requires amounts donated to be maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

C. Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the 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 resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds

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

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

E. Cash and Investments

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. During 2007 and 2006, the Township invested in certificates of deposit and a sweep account.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2007 and 2006 were \$321,238 and \$201,216, respectively, and \$4,206 and \$3,942 for 2007 and 2006, respectively, credited to other Township funds.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

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 has no 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 leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

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

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. Net assets restricted for other purposes include resources restricted for road and bridge maintenance, cemetery maintenance, fire protection and emergency rescue services.

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

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

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. An 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

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general receipts.

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

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

For the year ended December 31, 2005 the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. Effective January 1, 2006 the Township implemented the modified cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 4 – Accountability and Compliance

Compliance

Contrary to Ohio Law, appropriations exceeded available resources in 2006 in the General Fund and Fire Station Building Fund by \$337,402 and 25,862, respectively. In addition, estimated resources exceeded actual receipts in the EMS Medic Services in 2007 by \$59,493.

Note 5 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and emergency rescue service fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances treated as disbursements (budgetary basis) rather than as a reservation of fund balance (*modified* cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$15,501 for the general fund, \$38,834 for the major special revenue funds, and \$1,267 for all other governmental funds.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Deposits and Investments

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

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

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

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

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 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).

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Deposits and Investments (continued)

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

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, the carrying amount of the Township's deposits was \$449,810 and the bank balance was \$567,792. At December 31, 2006, the carrying amount of the Township's deposits was \$503,555 and the bank balance was \$522,047. Of the bank balance, \$100,000 was covered by federal depository Insurance Corporation and \$467,792 and \$422,047 for 2007 and 2006, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

B. Investments

As of December 31, 2007 and 2006, the Township had the following investments:

	Carrying Value 2007	Carrying Value 2006
Certificate of Deposit	\$ 5,000	\$ 5,000
Sweep Account	9,540,000	5,967,000
Total Portfolio	\$ 9,545,000	\$ 5,972,000

These investments have a maturity of less than one year.

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, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Deposits and Investments (continued)

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. 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 no 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."

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006, represent the collection of 2006 and 2005 taxes, respectively. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the assessed values as of January 1, 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 February 20 each year; if paid semiannually, the first payment is due February 20, with the remainder payable by August 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, 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 2007 and 2006 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. 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.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 7 – Property Taxes, (continued)

The full tax rate for all Township operations for the year ended December 31, 2007 and 2006, were \$16.05 and \$16.05 per \$1,000 of assessed value, respectively. The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property		
Residential	\$181,109,470	\$167,505,110
Agricultural	27,077,930	26,343,650
Public Utility – Real Estate	12,593,230	12,313,610
Public Utility – Personal Property	11,710,558	16,208,914
Total Assessed Value	\$232,491,188	\$222,371,284

Note 8 – Risk Management

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

During 2007 and 2006, the Township contracted with Cincinnati Insurance Company, through Brower Insurance Agency, LLC, for the following risks:

- Commercial Umbrella Liability Policy Declarations – General, Automobile, Employee Benefit, Employer Property, General Liability, Crime, Auto, Contractors’ Equipment, General Floater, and Signs
- Business Auto Coverage

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township also provides health, dental, and life and AD&D insurance for all employees, except seasonal employees, through private carriers and provides a Section 125 cafeteria plan to all employees, except seasonal employees, for medical and dependant care expenses.

Note 9 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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 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.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 9 – Defined Benefit Pension Plan, (continued)

A. Ohio Public Employees Retirement System, (continued)

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 OR (800)222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. In 2006 it was 9.0 percent. The Township's contribution rate for pension benefits for 2007 was 13.85 percent and 13.70 percent in 2006. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$134,723, \$126,296, and \$103,985 respectively. The full amount has been contributed for 2007, 2006 and 2005.

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 \$684,775.07 for the year ended December 31, 2007, \$771,385.46 for the year ended December 31, 2006, and \$642,840.76 for the year ended December 31, 2005. The full amount has been contributed for 2007, 2006, and 2005.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 and 13.70 percent, respectively of covered payroll; 5.0 percent (January 1 through June 30) and 6.0 percent (July 1 through December 31) for 2007 and 4.5 percent for 2006, of covered payroll was the portion that was used to fund health care in 2007 and 2006, respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 5 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 374,979. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 10 – Postemployment Benefits, (continued)

B. Ohio Police and Fire Pension Fund, (continued)

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

The total firefighter contribution rate is 10 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment health care program during 2007 and 2006. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township’s actual contributions for 2007 that were used to fund postemployment benefits were \$216,759.31. The OP&F’s total health care expense for the year ended December 31, 2006 (the latest information available) was \$120,373,722, which was net of member contributions of \$58,532.848. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, was 24,683.

Note 11 – Debt

The Township’s Long-term debt for the years ended December 31, 2007 and 2006 was as follows:

<u>Governmental Activities</u>	Interest Rate	Balance December 31, 2006	Addition	Reduction	Balance December 31, 2007	Due Within One Year
Building Construction Bond	3.75 – 5.00%	385,000	0	50,000	335,000	50,000

<u>Governmental Activities</u>	Interest Rate	Balance December 31, 2005	Addition	Reduction	Balance December 31, 2006	Due Within One Year
Building Construction Bond	3.75 – 5.00%	430,000	0	45,000	385,000	50,000

The building construction bond was issued on June 1, 2004, to pay for the acquisition, construction and installation of improvements to a senior center. The bond will be paid in semi-annual installments, through December 2013. The bond is supported by the full faith and credit of the Township and is payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 11 – Debt. (continued)

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

Year	Building Construction Bond	
	Principal	Interest
2008	\$ 50,000	\$ 15,863
2009	50,000	13,863
2010	55,000	11,613
2011	55,000	9,000
2012	60,000	6,250
2013	65,000	3,250
Totals	\$335,000	\$59,839

Note 12 – Interfund Transfers

During 2007 the following transfers were made:

Transfer from the General Fund To:	
Other Governmental Funds	\$ 33,869
Transfer from Fire Fund To Other Gov’t Funds	163,334
Total Transfers To Other Governmental Funds	\$197,203

During 2006 the following transfers were made:

Transfer from the General Fund To:	
Other Governmental Funds	\$ 32,213
Transfer from Fire Fund To Other Gov’t Funds	380,000
Transfer from EMS Fund to Other Gov’t Funds	83,334
Total Transfers To Other Governmental Funds	\$ 495,547

Transfers represent the allocation of unrestricted receipts collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. The purpose of the 2007 and 2006 transfer from the General Fund to Other Governmental Funds was to cover a portion of the debt service for the Lofino’s Senior Citizens Center Bond Fund.

The 2007 and 2006 transfers from the Fire Fund and EMS Medic Services Fund to Other Governmental Funds (Capital Projects) was specifically for the accumulation of funds for the purchase of an advanced life support fire engine and for an ambulance; under code section ORC 5705.13.

In 2006 a transfer from the Fire Fund to Other Governmental Funds was for \$300,000 to Fund 2903 Accumulated Leave at Termination & Salaries during Excess Pay Periods to establish a reserve account.

Beavercreek Township
Greene County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 13 – Joint Ventures

For several years the Township, the City of Beavercreek, and the Beavercreek Township Park District have maintained a park located in the Township called Rotary Park. The Township owns the park, the City maintains the park grounds and handles reservations for public use of the park shelters, and the Park District manages the sports events.

In 2004, the Township entered into an agreement with the City of Beavercreek to finance major renovations to a commercial property (previously privately owned and used for many years as a grocery store) to be converted and used as a senior citizens center. As of 2006 year-end, several of the renovations were completed. This property is located within the City of Beavercreek boundaries and is called the Lofino's Senior Citizens Center.

The Township entered into a joint venture with the Fairborn Fire Department to operate a shared fire station called Fairborn Fire Station 2 which is located near the boundary line of Beavercreek Township and Fairborn. This is a high growth area that did not previously have nearby emergency services. The shared station provides fire (from Fairborn) and EMS (from Beavercreek Township) services. The property is owned by Fairborn, and Beavercreek Township shares 50/50 in the all of the utility costs.

Note 14 – Subsequent Events

In February 2008, the Township Administration Building was renovated.

In early 2008, the Trustees approved the expansion of the buildings for Fire Stations 62 and 64. The expansion of Station 64 includes the purchase of 5 acres of adjacent land that as of June 1, 2008, is still pending. The proceeds from the sale of 90 acres of land in 2007 will be used to fund this project.

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

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

Beavercreek Township
Greene County
1981 Dayton-Xenia Road
Beavercreek, Ohio 45434

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 Beavercreek Township, Greene County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 18, 2008, wherein we noted the Township implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our 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 the 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.

Internal Control Over Financial Reporting, (continued)

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-003.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiency described above, we believe findings number 2007-003 is also material weakness.

We noted certain matters that we reported to the Township's management in a separate letter dated September 18, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants 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 instances of noncompliance that we must report under *Government Auditing Standard*, which are described in the accompanying schedule of findings as item 2007-001 and 2006-002.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 18, 2008.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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 the management and the Board of Trustees. We intend it for no one other than these specified parties.

Manning & Associates CPAs, LLC
Dayton, Ohio

September 18, 2008

**BEAVERCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

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 not exceeding \$5,000 (an amount established by resolution or ordinance adopted by the legislative authority, effective September 26, 2003) against any specific line item account over a period exceeding three months (three month limitation was eliminated effective September 26, 2003) or running beyond the current 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.

**BEAVERCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006

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

FINDING NUMBER 2007-001, 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

The Township had issued purchase orders after the incurrence of an expense without certifying the purchase order as a "Then and Now." In 2007, 10 percent and in 2006 21 percent the expenditures tested were not properly certified or exceeded the \$3,000 limit for then and now.

Response: The Township implemented procedures to ensure the purchase orders are properly completed prior to incurring obligations.

FINDING NUMBER 2007-002

Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund shall not exceed the total estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The Township had no certificates from the county auditor that appropriations from each fund did not exceed the total official estimate of resources.

In addition, the following funds had appropriations in excess of the amounts certified as available by the Amended Certificate of Estimated Resources:

Fund	Estimated Resources	Appropriations	Variance
2006			
General Fund	\$ 1,540,194	\$ 1,877,596	\$ (337,402)
Fire Station Building	386,428	412,290	(25,862)

To comply with this section and improve budgetary controls the Township should file their appropriation measures with the county budget commission for certification that the amounts appropriated do not exceed the available resources. In addition, the Certificate of Estimated Resources should be amended on a timely basis to reflect changes in actual or expected revenue and the corresponding appropriations should be amended accordingly.

Response: The Township will monitor budgetary compliance more closely in the future.

**BEAVERCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-003

Internal Control Deficiency – Payroll

A sound internal control structure is one capable of providing management with assurance that transactions are processed accurately and completely. To achieve this desired assurance, the internal control structure must provide for timely and consistent application of internal control procedures and require that said procedures be adequately documented to evidence their application.

During our procedures we noted the following concerns due to a lack of controls over payroll processing:

- No review was noted on the hours submitted by the Department Supervisors for employees. This resulted in overpayments to personnel. These amounts have been corrected and repaid.
- The Township did not have an adequate system of tracking leave balances. Leave balances were maintained by department heads. The finance department was not informed about these balances. The balances listed on the employees pay stubs are not accurate.
- In 2007, an employee was transferred sick hours based on the Department Supervisor's approval. This included 154.5 hours from a related party. Based on the employee handbook, Township policy, and charging orders it is unclear if this transfer of hours is allowed. There was no approval other than the Department Supervisor.

Due to the complicated nature of the transfer of hours. We recommend the Township discuss this issue with their legal council as to allowed or unallowable. If deemed unallowable, The Township should seek repayment from the employee.

We recommend the Township develop and implement internal control policies to ensure payroll processing is accurate and complete.

Response: The Township implanted several procedure changes in 2008 with the hiring of an Assistant Fiscal Officer. Legal counsel will review the transfer of hours.

**BEAVERCREEK TOWNSHIP
GREENE COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2005-001	Ohio Admin. Sect. 117-2-02 Insufficient Accounting Sysytem	Yes	
2005-002	ORC 5705.41 (B) - Expenditures exceeded appropriations	Yes	
2005-003	ORC 135.14 (O) - Investments made without approved investment policy	Yes	
2005-004	ORC 5705.41(D)(1) - Expenses incurred prior to PO authorization	No	Reissued as Finding 2007-001



Mary Taylor, CPA
Auditor of State

BEAVERCREEK TOWNSHIP

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 16, 2008**