



Mary Taylor, CPA
Auditor of State

**BUTLER TOWNSHIP - CITY OF DAYTON
JOINT ECONOMIC DEVELOPMENT DISTRICT
MONTGOMERY COUNTY**

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Mary Taylor, CPA
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Butler Township - City Of Dayton
Joint Economic Development District
Montgomery County
8524 North Dixie Drive
Dayton, Ohio 45414

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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May 19, 2009

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Butler Township - City Of Dayton
Joint Economic Development District
Montgomery County
8524 North Dixie Drive
Dayton, Ohio 45414

To the Board of Trustees:

We have audited the accompanying financial statements of Butler Township-Dayton Joint Economic Development District, Montgomery County, (the District) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the District'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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the funds the accompanying financial statements present, GAAP require presenting entity wide statements. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of Butler Township-Dayton Joint Economic Development District, Montgomery County, as of December 31, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2009, on our consideration of the District'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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 19, 2009

**BUTLER TOWNSHIP-CITY OF DAYTON
JOINT ECONOMIC DEVELOPMENT DISTRICT
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | General |
|---|----------------|
| Cash Receipts: | |
| Taxes | \$24,896 |
| Investment Income | 381 |
| Other Receipts | 42 |
| Total Cash Receipts | 25,319 |
| Cash Disbursements: | |
| Current Disbursements: | |
| Contracts - Services | 3,754 |
| Other | 21 |
| Total Disbursements | 3,775 |
| Total Receipts Over/(Under) Disbursements | 21,544 |
| Fund Cash Balances, January 1 | 35,464 |
| Fund Cash Balances, December 31 | \$57,008 |

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

**BUTLER TOWNSHIP-CITY OF DAYTON
 JOINT ECONOMIC DEVELOPMENT DISTRICT
 MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGE IN FUND CASH BALANCE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

| | General |
|---|----------------|
| Cash Receipts: | |
| Contributions by Political Subdivisions | \$40,000 |
| Investment Income | 1,074 |
| Total Cash Receipts | 41,074 |
| Cash Disbursements: | |
| Current Disbursements: | |
| Contracts - Services | 5,587 |
| Other | 23 |
| Total Disbursements | 5,610 |
| Total Receipts Over/(Under) Disbursements | 35,464 |
| Fund Cash Balances, January 1 | |
| Fund Cash Balances, December 31 | \$35,464 |

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

**BUTLER TOWNSHIP – CITY OF DAYTON
JOINT ECONOMIC DEVELOPMENT DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Butler Township – City of Dayton Joint Economic Development District (the “District”) is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the state of Ohio. The contract between the two entities forming the District was authorized, under provisions of sections 715.72 to 715.83 of the Ohio Revised Code, by the Butler Township Board of Trustees on September 11, 2006, by resolution 06-070. Both the Township and the City Commission entered into a signed contract on September 29, 2006 formally establishing the District.

The District operates under the direction of a five member board of directors (the “Board”). By law, the Board is comprised of one member representing the City, appointed by the City Commission; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Commission with concurrence by the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with concurrence by the City Commission; and one member selected by the other Board members. Butler Township made its appointments to the Board by resolution 06-086.

Bylaws for operation of the District were adopted by the Board on November 29, 2006.

The District’s purpose is to promote economic development activities in the geographic area comprising the District.

B. Fund Accounting

The District uses fund accounting to maintain its financial records. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds can be used to segregate resources that are restricted as to use, but all activities of this District are reported in the General Fund.

C. Basis of Accounting

Financial statements for the District are prepared using the cash basis of accounting. Receipts are recorded in the financial records of the District, as well as reported in the financial statements, when cash is received rather than when earned. Similarly, disbursements are recorded when cash is paid rather than when a liability is incurred.

D. Deposits

District cash is held in two depository accounts, those being one checking and one savings account. There were no investments during the year. Deposits are insured by the Federal Deposit Insurance Corporation.

E. Budgetary Process

The contract between the Township and City prescribes a budgetary process for the District. The Budget is prepared on a cash basis, and reflects an estimate of the balance of funds available for operational and capital expenses and reserves. The Board is required to expend funds in accordance with the budget. The Board approves an annual District budget along with amendments thereto.

**BUTLER TOWNSHIP – CITY OF DAYTON
JOINT ECONOMIC DEVELOPMENT DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. There have been no claims. The District maintains property, general liability, fidelity, and directors' and officers' liability coverage through the Brower Insurance Agency. There have been no significant changes in coverage from prior year.

G. Significant Contractual Commitments

The City of Dayton finance department collects income taxes from certain entities in the District. Such collection became effective during the fourth quarter of 2007, and cash will accrue for distribution by February 15, 2009. As of December 31, 2008, the District had contractual commitments concerning the distribution of income tax monies as follows:

| | |
|-----------------|-------------|
| City of Dayton | \$ 9,336.17 |
| Butler Township | \$ 9,336.17 |



Mary Taylor, CPA

Auditor of State

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

Butler Township - City Of Dayton
Joint Economic Development District
Montgomery County
8524 North Dixie Drive
Dayton, Ohio 45414

To the Board of Trustees:

We have audited the financial statements of the Butler Township-City of Dayton Joint Economic Development District, Montgomery County, (the District) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 19, 2009, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 District'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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 District'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 District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated May 19, 2009.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 19, 2009



Mary Taylor, CPA
Auditor of State

**BUTLER TOWNSHIP – CITY OF DAYTON
JOINT ECONOMIC DEVELOPMENT DISTRICT**

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2009**