



Mary Taylor, CPA
Auditor of State

**BENTON TOWNSHIP
MONROE COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Benton Township
Monroe County
42050 Trail Run Road, Route 1
New Matamoras, Ohio 45767

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 Benton Township, Monroe County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2C, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benton Township, Monroe County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund and Gasoline Tax Fund, thereof for the years then ended in conformity with the basis of accounting Note 2C describes.

For the year ended December 31, 2007, 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*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

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

Mary Taylor, CPA
Auditor of State

March 30, 2009

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

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

Highlights

Key highlights for 2008 and 2007 are as follows:

Net assets of governmental activities decreased \$3,475 or 3.86 percent in 2008, a significant change from the prior year. Net assets of governmental activities decreased \$1,354, or 1.48 percent in 2007, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2008 and 2007; however, cost increases affected most funds.

The Township's general receipts are primarily property taxes and unrestricted intergovernmental receipts. These receipts represent respectively 10.47 percent in 2008 and 15 percent in 2007 of the total cash received for governmental activities during the year. Property tax and unrestricted intergovernmental receipts for 2008 and 2007 changed very little compared to 2006 as development within the Township has slowed.

In 2008, the Township received a Community Development Block Grant (CDBG) in the amount of \$7,480 for construction of a basketball court. Also in 2008, the Township purchased a new tractor and mower in the amount of \$82,587. A promissory note was issued in the amount of \$34,608 to assist in the financing of the new tractor/mower.

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

Basis of Accounting

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

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

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

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2008 and 2007, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances 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 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 cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, the Township presents a single type of activity, governmental activities. Most of the Township's basic services are reported here. Property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township'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 and that it is being spent for the intended purpose. The funds of the Township are all governmental.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Motor Vehicle License Tax Fund, and Gasoline Tax Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

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

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 and 2006:

	Net Assets		
	<u>Governmental Activities</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets			
Cash and Cash Equivalents	\$86,461	\$89,937	\$91,291
Total Assets	<u>\$86,461</u>	<u>\$89,937</u>	<u>\$91,291</u>
Net Assets			
Restricted for:			
Other Purposes	\$81,209	\$84,778	\$83,653
Unrestricted	<u>5,252</u>	<u>5,159</u>	<u>7,638</u>
Total Net Assets	<u>\$86,461</u>	<u>\$89,937</u>	<u>\$91,291</u>

As mentioned previously, net assets of governmental activities decreased \$3,476 or 3.86 percent during 2008 and \$1,353 or 1.48 percent during 2007. The primary reason contributing to the decrease in cash balances is as follows:

During 2007, the Township's General Fund had additional expenses for the 2005 and 2006 financial audit with no extra revenue coming in.

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

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

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2008	2007
Receipts:		
Program Receipts:		
Operating Grants and Contributions	\$109,385	\$96,635
Capital Grants and Contributions	7,480	
Total Program Receipts	116,865	96,635
General Receipts:		
Property and Other Local Taxes	9,031	8,527
Debt Proceeds	34,608	
Grants and Entitlements Not Restricted to Specific Programs	9,039	8,541
Sale of Fixed Assets	2,653	
Earnings on Investments	17	20
Miscellaneous	300	95
Total General Receipts	55,648	17,183
Total Receipts	172,513	113,818
Disbursements:		
General Government	16,041	14,873
Public Safety	4,306	1,950
Health		2,339
Public Works	65,575	67,144
Capital Outlay- Equipment purchase	90,067	
Principal Retirement		26,933
Interest and Fiscal Charges		1,933
Total Disbursements	175,989	115,172
(Decrease) in Net Assets	(3,476)	(1,354)
Net Assets, January 1	89,937	91,291
Net Assets, December 31	\$86,461	\$89,937

Program receipts represent only 67.7 percent of total receipts in 2008 and 84.9 percent in 2007 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money. In 2008, a CDBG grant was received for capital purposes in the amount of \$7,480.

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

General receipts represent 32.3 percent of the Township's total receipts in 2008 and 15.1 percent in 2007, and of this amount, over 16.2 percent in 2008 and 49.6 percent in 2007 are local taxes. Grants and entitlements make up the balance of the Township's general receipts (16.2 percent in 2008 and 49.7 percent in 2007). Other receipts are very insignificant and somewhat unpredictable revenue sources.

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

Governmental Activities

If you look at the Statement 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 disbursement for governmental activities is for Public Works, which account for 37.3 percent of all governmental disbursements in 2008 and 58.3 percent in 2007. The next two columns of the Statement entitled Program Receipts identify 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.

(Table 3)

Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$16,041	(\$15,735)	\$14,873	(\$14,634)
Public Safety	4,306	(4,306)	1,950	(1,950)
Health			2,339	(2,339)
Public Works	65,574	50,985	67,144	29,252
Capital Outlay equipment purchase	90,067	(90,067)		
Debt Service:				
Principal			26,933	(26,933)
Interest			1,933	(1,933)
Total Expenses	\$175,988	(\$59,123)	\$115,172	(\$18,537)

The dependence upon general receipts is apparent as over 34 percent of governmental activities in 2008 and 16 percent in 2007 are supported through these general receipts.

The Township's Funds

In 2008, governmental funds had receipts of \$172,513, and disbursements of \$175,989. In 2007, governmental funds had receipts of \$113,818, and disbursements of \$115,172. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$2,479 in 2007.

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

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 Township's most significant budgeted fund is the General Fund.

In 2008, final General Fund disbursements were budgeted at \$21,562 while actual disbursements were \$20,947. In 2007, final disbursements were budgeted at \$21,581 while actual disbursements were \$19,662.

Debt Administration

Debt

At December 31, 2008, the Township's outstanding debt included \$34,608 in a promissory note issued to assist in the financing of the purchase of a new tractor/mower. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Polly S. Kinsey, Fiscal Officer, 42050 Trail Run Road, Rte. 1, New Matamoras, OH 45767.

BENTON TOWNSHIP, MONROE COUNTY

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$86,461</u>
<i>Total Assets</i>	<u><u>\$86,461</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$81,209
Unrestricted	<u>5,252</u>
<i>Total Net Assets</i>	<u><u>\$86,461</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2008*

	Cash Disbursements	Operating Grants and Contributions	Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
Governmental Activities				
General Government	\$16,041	\$306	\$0	(\$15,735)
Public Safety	4,306	0	0	(4,306)
Public Works	65,575	109,079	7,480	50,984
Capital Outlay	90,067	0	0	(90,067)
<i>Total Governmental Activities</i>	<u>\$175,989</u>	<u>\$109,385</u>	<u>\$7,480</u>	<u>(59,124)</u>
General Receipts				
Property Taxes				9,031
Grants and Entitlements not Restricted to Specific Programs				9,039
Other Debt Proceeds				34,608
Sale of Fixed Assets				2,653
Earnings on Investments				17
Miscellaneous				300
<i>Total General Receipts</i>				<u>55,648</u>
Change in Net Assets				(3,476)
<i>Net Assets Beginning of Year</i>				<u>89,937</u>
<i>Net Assets End of Year</i>				<u><u>\$86,461</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	<u>GENERAL</u>	<u>MOTOR VEHICLE LICENSE TAX</u>	<u>GASOLINE TAX</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,252	\$4,268	\$76,941	\$86,461
<i>Total Assets</i>	<u>\$5,252</u>	<u>\$4,268</u>	<u>\$76,941</u>	<u>\$86,461</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$5,252	\$0	\$0	\$5,252
Special Revenue Funds	0	4,268	76,941	81,209
<i>Total Fund Balances</i>	<u>\$5,252</u>	<u>\$4,268</u>	<u>\$76,941</u>	<u>\$86,461</u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds**For the Year Ended December 31, 2008*

	GENERAL	MOTOR VEHICLE LICENSE TAX	GASOLINE TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts					
Property and Other Local Taxes	\$9,031	\$0	\$0	\$0	\$9,031
Intergovernmental	9,039	14,165	94,914	7,480	125,598
Earnings on Investments	17	23	283	0	323
Miscellaneous	300	0	0	0	300
Total Receipts	18,387	14,188	95,197	7,480	135,252
Disbursements					
Current:					
General Government	16,041	0	0	0	16,041
Public Safety	4,306	0	0	0	4,306
Public Works	600	13,790	51,185	0	65,575
Capital Outlay	0	3,000	79,587	7,480	90,067
Total Disbursements	20,947	16,790	130,772	7,480	175,989
Excess of Receipts Over (Under) Disbursements	(2,560)	(2,602)	(35,575)	0	(40,737)
Other Debt Proceeds	0	0	34,608	0	34,608
Sale of Fixed Assets	2,653	0	0	0	2,653
Total Other Financing Sources	2,653	0	34,608	0	37,261
Net Change in Fund Balances	93	(2,602)	(967)	0	(3,476)
Fund Balances Beginning of Year	5,159	6,870	77,908	0	89,937
Fund Balances End of Year	\$5,252	\$4,268	\$76,941	\$0	\$86,461

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$8,360	\$8,360	\$9,031	\$671
Intergovernmental	8,075	8,075	9,039	964
Earnings on Investments	15	15	17	2
Miscellaneous	50	50	300	250
<i>Total receipts</i>	<u>16,500</u>	<u>16,500</u>	<u>18,387</u>	<u>1,887</u>
Disbursements				
Current:				
General Government	16,647	16,656	16,041	615
Public Safety	4,350	4,306	4,306	0
Public Works	500	600	600	0
<i>Total Disbursements</i>	<u>21,497</u>	<u>21,562</u>	<u>20,947</u>	<u>615</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,997)</u>	<u>(5,062)</u>	<u>(2,560)</u>	<u>2,502</u>
Other Financing Sources				
Sale of Fixed Assets	<u>0</u>	<u>0</u>	<u>2,653</u>	<u>2,653</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>2,653</u>	<u>2,653</u>
<i>Net Change in Fund Balance</i>	(4,997)	(5,062)	93	5,155
<i>Cash Balance Beginning of Year</i>	<u>5,159</u>	<u>5,159</u>	<u>5,159</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$162</u>	<u>\$97</u>	<u>\$5,252</u>	<u>\$5,155</u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Motor Vehicle License Tax Fund
 For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$13,500	\$13,500	\$14,165	\$665
Earnings on Investments	20	20	23	3
<i>Total receipts</i>	<u>13,520</u>	<u>13,520</u>	<u>14,188</u>	<u>668</u>
Disbursements				
Current:				
Public Works	16,235	16,297	13,790	2,507
Capital Outlay	2,000	3,000	3,000	0
<i>Total Disbursements</i>	<u>18,235</u>	<u>19,297</u>	<u>16,790</u>	<u>2,507</u>
<i>Net Change in Fund Balance</i>	(4,715)	(5,777)	(2,602)	3,175
<i>Cash Balance Beginning of Year</i>	<u>6,869</u>	<u>6,870</u>	<u>6,870</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u><u>\$2,154</u></u>	<u><u>\$1,092</u></u>	<u><u>\$4,268</u></u>	<u><u>\$3,175</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$80,000	\$80,000	\$94,914	\$14,914
Earnings on Investments	125	125	283	158
<i>Total receipts</i>	<u>80,125</u>	<u>80,125</u>	<u>95,197</u>	<u>15,072</u>
Disbursements				
Current:				
Public Works	87,387	74,709	51,185	23,524
Capital Outlay	20,000	81,719	79,587	2,132
<i>Total Disbursements</i>	<u>107,387</u>	<u>156,428</u>	<u>130,772</u>	<u>25,656</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(27,262)</u>	<u>(76,303)</u>	<u>(35,575)</u>	<u>40,728</u>
Other Financing Sources				
Other Debt Proceeds	0	34,608	34,608	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>34,608</u>	<u>34,608</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(27,262)</u>	<u>(41,695)</u>	<u>(967)</u>	<u>40,728</u>
<i>Cash Balance Beginning of Year</i>	<u>77,908</u>	<u>77,908</u>	<u>77,908</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$50,646</u>	<u>\$36,213</u>	<u>\$76,941</u>	<u>\$40,728</u>

See accompanying notes to the basic financial statements

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BENTON TOWNSHIP, MONROE COUNTY

Statement of Net Assets - Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$89,937</u>
<i>Total Assets</i>	<u><u>\$89,937</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$84,778
Unrestricted	<u>5,159</u>
<i>Total Net Assets</i>	<u><u>\$89,937</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2007*

	Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government	\$14,873	\$239	(\$14,634)
Public Safety	1,950	0	(1,950)
Public Works	67,144	96,396	29,252
Health	2,339	0	(2,339)
Debt Service:			
Principal	26,933	0	(26,933)
Interest	1,933	0	(1,933)
<i>Total Governmental Activities</i>	<u>\$115,172</u>	<u>\$96,635</u>	<u>(18,537)</u>
General Receipts			
Property Taxes			8,527
Grants and Entitlements not Restricted to Specific Programs			8,541
Earnings on Investments			20
Miscellaneous			95
<i>Total General Receipts</i>			<u>17,183</u>
Change in Net Assets			(1,354)
<i>Net Assets Beginning of Year</i>			<u>91,291</u>
<i>Net Assets End of Year</i>			<u><u>\$89,937</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	GENERAL	MOTOR VEHICLE LICENSE TAX	GASOLINE TAX	TOTAL GOVERNMENTAL FUNDS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,159	\$6,870	\$77,908	\$89,937
<i>Total Assets</i>	<u>\$5,159</u>	<u>\$6,870</u>	<u>\$77,908</u>	<u>\$89,937</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$5,159	\$0	\$0	\$5,159
Special Revenue Funds	0	6,870	77,908	84,778
<i>Total Fund Balances</i>	<u>\$5,159</u>	<u>\$6,870</u>	<u>\$77,908</u>	<u>\$89,937</u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds**For the Year Ended December 31, 2007*

	<u>GENERAL</u>	<u>MOTOR VEHICLE LICENSE TAX</u>	<u>GASOLINE TAX</u>	<u>TOTAL</u>
Receipts				
Property and Other Local Taxes	\$8,527	\$0	\$0	\$8,527
Intergovernmental	8,541	12,609	83,787	104,937
Earnings on Investments	20	28	211	259
Miscellaneous	95	0	0	95
Total Receipts	<u>17,183</u>	<u>12,637</u>	<u>83,998</u>	<u>113,818</u>
Disbursements				
Current:				
General Government	14,873	0	0	14,873
Public Safety	1,950	0	0	1,950
Public Works	500	14,922	51,722	67,144
Health	2,339	0	0	2,339
Debt Service:				
Principal Retirement	0	0	26,933	26,933
Interest and Fiscal Charges	0	0	1,933	1,933
Total Disbursements	<u>19,662</u>	<u>14,922</u>	<u>80,588</u>	<u>115,172</u>
Net Change in Fund Balances	(2,479)	(2,285)	3,410	(1,354)
Fund Balances Beginning of Year	<u>7,638</u>	<u>9,155</u>	<u>74,498</u>	<u>91,291</u>
Fund Balances End of Year	<u>\$5,159</u>	<u>\$6,870</u>	<u>\$77,908</u>	<u>\$89,937</u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$8,385	\$8,385	\$8,527	\$142
Intergovernmental	8,280	8,280	8,541	261
Earnings on Investments	15	15	20	5
Miscellaneous	0	0	95	95
<i>Total receipts</i>	<u>16,680</u>	<u>16,680</u>	<u>17,183</u>	<u>503</u>
Disbursements				
Current:				
General Government	16,881	16,791	14,873	1,918
Public Safety	1,700	1,950	1,950	0
Public Works	500	500	500	0
Health	2,500	2,340	2,339	1
<i>Total Disbursements</i>	<u>21,581</u>	<u>21,581</u>	<u>19,662</u>	<u>1,919</u>
<i>Net Change in Fund Balance</i>	(4,901)	(4,901)	(2,479)	2,422
<i>Cash Balance Beginning of Year</i>	<u>7,638</u>	<u>7,638</u>	<u>7,638</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u>\$2,737</u>	<u>\$2,737</u>	<u>\$5,159</u>	<u>\$2,422</u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Motor Vehicle License Tax Fund
 For the Year Ended December 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$13,500	\$13,500	\$12,609	(\$891)
Earnings on Investments	20	20	28	8
<i>Total receipts</i>	<u>13,520</u>	<u>13,520</u>	<u>12,637</u>	<u>(883)</u>
Disbursements				
Current:				
Public Works	19,943	19,943	14,922	5,021
<i>Total Disbursements</i>	<u>19,943</u>	<u>19,943</u>	<u>14,922</u>	<u>5,021</u>
<i>Net Change in Fund Balance</i>	(6,423)	(6,423)	(2,285)	4,138
<i>Cash Balance Beginning of Year</i>	<u>9,155</u>	<u>9,155</u>	<u>9,155</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u><u>\$2,732</u></u>	<u><u>\$2,732</u></u>	<u><u>\$6,870</u></u>	<u><u>\$4,138</u></u>

See accompanying notes to the basic financial statements

BENTON TOWNSHIP, MONROE COUNTY
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Gasoline Tax Fund
 For the Year Ended December 31, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$75,000	\$75,000	\$83,787	\$8,787
Earnings on Investments	80	80	211	131
<i>Total receipts</i>	<u>75,080</u>	<u>75,080</u>	<u>83,998</u>	<u>8,918</u>
Disbursements				
Current:				
Public Works	90,460	71,425	51,722	19,703
Debt Service:				
Principal Retirement	8,600	26,955	26,933	22
Interest and Fiscal Charges	1,270	1,950	1,933	17
<i>Total Disbursements</i>	<u>100,330</u>	<u>100,330</u>	<u>80,588</u>	<u>19,742</u>
<i>Net Change in Fund Balance</i>	(25,250)	(25,250)	3,410	28,660
<i>Cash Balance Beginning of Year</i>	<u>74,498</u>	<u>74,498</u>	<u>74,498</u>	<u>0</u>
<i>Cash Balance End of Year</i>	<u><u>\$49,248</u></u>	<u><u>\$49,248</u></u>	<u><u>\$77,908</u></u>	<u><u>\$28,660</u></u>

See accompanying notes to the basic financial statements

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Benton Township
Monroe County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 1 – Reporting Entity

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

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with the Antioch Community VFD and Grandview Township VFD for fire protection. Police protection is provided by the Monroe County Sheriff.

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.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

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

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.

Note 2 – Summary of Significant Accounting Policies (continued)

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 governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include 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, 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 cash basis or draws from the Township's general receipts.

Fund Financial Statements

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

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 Township's funds are all classified as governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non exchange transactions. The Township's major governmental funds are the General Fund, Motor Vehicle License Tax Fund and Gasoline Tax 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. The Motor Vehicle and Gasoline Tax Funds' receive motor vehicle license and gasoline tax monies, respectively, to pay for constructing, maintaining, and repairing Township roads.

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

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

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

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

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 resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

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

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

E. Restricted Assets

Cash and cash equivalents 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. There are no restricted assets.

F. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

G. 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.

H. Interfund Receivables/Payables

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

I. 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

K. 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. 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.

L. Fund Balance Reserves

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

M. Interfund Transactions

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

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

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the 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.

Also as described in Note 2, the Township has not elected to report inventory, prepaid items, interfund receivables (payables) and capital assets as part of the cash basis of accounting. The transition from the regulatory basis of accounting to the cash basis of accounting generated no changes to fund balance/equity as previously reported at December 31, 2006.

Note 4 – 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 – Budget Basis presented for the General Fund, Motor Vehicle License Tax Fund, and Gasoline Tax Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 5 – 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;

Benton Township
Monroe County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 5 - Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, 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 (STAROhio).

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.

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. 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.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Benton Township
Monroe County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 6 – Property Taxes (continued)

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008, was \$2.10 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

2008	
Real Property	\$4,670,000
Public Utility Property	159,430
Tangible Personal Property	12,500
Total Assessed Values	<u>\$4,841,930</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 7 – Risk Management

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

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

Benton Township
Monroe County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 7 – Risk Management (continued)

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006).

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and 300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

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

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$2,600. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Benton Township
Monroe County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 7 – Risk Management (continued)

Based on discussions with OTARMA, the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2006	\$2,941
2007	2,838
2008	2,794

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plan

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a 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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5% percent of covered payroll. For the year ended December 31, 2008, members in state and local classifications contributed 10% percent of covered payroll.

Note 8 – Defined Benefit Pension Plan (continued)

The Township's contribution rate for 2007 was 13.85 percent and for 2008 was 14 percent. For the period January 1, through June 30, 2007, a portion of the Township's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. For 2008, 7 percent of the townships contribution was allocated to fund the post-employment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent for 2007 and 2008.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2008, 2007, and 2006 were \$4,553, \$4,443, and \$4,237, respectively. The full amount has been contributed for 2008, 2007 and 2006.

Note 9 - Postemployment Benefits

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. In 2008, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, 6.00 percent from July 1 to December 31, 2007, and 7.00 percent of covered payroll from January 1, 2008 to December 31, 2008.

The Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contribution to the post-employment health care plan.

Benton Township
 Monroe County
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 9 - Postemployment Benefits (continued)

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

Note 10 – Debt

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

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
<u>Governmental Activities</u>						
Promissory Note						
2008 Issue (\$34,608)	4.50%	\$0	\$34,608	\$0	\$34,608	\$11,018

The promissory note is supported by the full faith and credit of the Township and is payable from gasoline tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

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

Year	Promissory Note	
	Principal	Interest
2009	\$11,018	\$1,579
2010	11,535	1,062
2011	12,055	542
Totals	\$34,608	\$3,183

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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*

Benton Township
Monroe County
42050 Trail Run Road, Route 1
New Matamoras, Ohio 45767

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 Benton Township, Monroe County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 30, 2009, wherein we noted the Township revised its financial statement presentation comparable to the requirements of Governmental Accounting Standard No. 34. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio 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 opinions 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.

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.

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.

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www.auditor.state.oh.us

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 Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed 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 Township's management in a separate letter dated March 30, 2009.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. 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

March 30, 2009



Mary Taylor, CPA
Auditor of State

BENTON TOWNSHIP

MONROE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 7, 2009**