



**ST. CLAIR TOWNSHIP  
COLUMBIANA COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 & 2010**





# Dave Yost • Auditor of State

Board of Trustees  
St. Clair Township  
15442 Pugh Road  
Calcutta, Ohio 43920

We have reviewed the *Independent Accountants' Report* of St. Clair Township, Columbiana County, prepared by Canter & Associates, for the audit period January 1, 2010 through December 31, 2011. 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. St. Clair Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 30, 2012

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**ST CLAIR TOWNSHIP  
COLUMBIANA COUNTY**

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COLUMBIANA COUNTY**

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6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

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## INDEPENDENT ACCOUNTANTS' REPORT

St. Clair Township  
Columbiana County  
15442 Pugh Road  
Calcutta, Ohio 43920

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 St. Clair Township, Columbiana County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010, 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. We believe our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Clair Township, Columbiana County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the **respective** budgetary comparison for the General, Road and Bridge, Policy Levy, and Fire Levy Funds thereof for the year(s) then ended in conformity with the accounting basis Note 2 describes.

As described in Note 12, during 2010 the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2012, 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.

We conducted our audit to opine on the Township's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.'



**Canter & Associates**

Poland, Ohio

August 30, 2012



St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

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This discussion and analysis of St. Clair Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2011 and 2010 within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2010 are as follows:

Net assets of Governmental activities increased \$178,585 a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund.

The Township's general receipts in the major funds are primarily property taxes (inside and outside millage) and Grants and Entitlements. These receipts represent respectively \$1,799,818 and \$495,116 of the total cash received for Governmental activities during the year.

Key highlights for 2011 are as follows:

Net assets of Governmental activities increased \$396,822 a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund.

The Township's general receipts in the major funds are primarily property taxes (inside and outside millage) and Grants and Entitlements. These receipts represent respectively \$1,765,352 and \$837,600 of the total cash received for Governmental activities during the year 2011.

### **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 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.

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 2010 and 2011, 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 activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function 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 and grants and entitlements.

In the Statement of Net Assets and the Statement of Activities, the Township activities are all considered to be of one type.

Governmental Activities - The Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the 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 is being spent for the intended purpose. The funds of the Township are all governmental.

Governmental Funds - All 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) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road & Bridge Fund, Police Levy Fund, and Fire Levy Fund.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2011 compared to 2010 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities	
	2011	2010
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,259,717	\$ 1,862,895
Total Assets	\$ 2,259,717	\$ 1,862,895
<b>Net Assets</b>		
Restricted for:		
Debt Service	\$ 1	\$ 1
Capital Outlay	37,449	83,525
Other Purposes	1,004,492	940,452
Unrestricted	1,217,775	838,917
Total Net Assets	\$ 2,259,717	\$ 1,862,895

As mentioned previously, net assets of governmental activities increased \$396,822 during 2011. The primary reason contributing to the increases was the receipt of Estate Tax.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

Table 2 reflects the comparison of the changes in net assets in 2011 and 2010.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		
	2011	2010	Difference
<b>Receipts</b>			
<b>Program Receipts:</b>			
Charges for Services and Sales	\$ 90,684	\$ 85,993	\$ 4,691
Operating Grants and Contributions	115,562	117,561	\$ (1,999)
Capital Grants and Contributions	23,258	19,363	\$ 3,895
Total Program Receipts	<u>229,504</u>	<u>222,917</u>	<u>6,587</u>
<b>General Receipts:</b>			
Property and Other Local Taxes	1,765,352	1,799,818	(34,466)
Other Taxes	61,341	62,516	(1,175)
Grants and Entitlements Not Restricted to Specific Programs	837,600	495,116	342,484
Cable Franchise Fees	65,383	64,644	739
Specail Assessments	-	10,190	(10,190)
Interest	2,295	2,202	93
Miscellaneous	15,972	36,118	(20,146)
Total General Receipts	<u>2,747,943</u>	<u>2,470,604</u>	<u>277,339</u>
Total Receipts	<u>2,977,447</u>	<u>2,693,521</u>	<u>283,926</u>
<b>Disbursements</b>			
Current:			
General Government	251,490	273,379	(21,889)
Public Safety	1,297,567	1,257,678	39,889
Public Works	620,663	591,835	28,828
Health	50,946	27,941	23,005
Conservation-Recreation	3,441	2,335	1,106
Capital Outlay	84,082	72,212	11,870
Debt Services:			
Principal Retirement	186,608	200,846	(14,238)
Interest & Fiscal Charges	85,828	88,710	249
Total Disbursements	<u>2,580,625</u>	<u>2,514,936</u>	<u>68,820</u>
Increase (Decrease) in Net Assets	396,822	178,585	218,237
Net Assets Beginning of Year	1,862,895	1,684,310	178,585
Net Assets End of Year	<u>\$ 2,259,717</u>	<u>\$ 1,862,895</u>	<u>\$ 396,822</u>

St. Clair Township, Columbiana County  
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Program receipts represent only 8% for 2010 for total receipts and 7% for 2011 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 91% in 2010 and 92% in 2011 of the Township's total receipts, and of this amount, 79% in 2010 and 68% in 2011 are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (5% in 2010 and 18% in 2011). 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 costs of administration and the road department. Since these costs do not represent direct services to residents, we try to limit these costs.

Public Safety expenses are the cost of police and fire protections; Public Works are the costs of maintaining the roads; Health Services are the services provided by the Columbiana County Health Department; and Debt Services are the payments made to retire outstanding debt of the Township.

**Governmental Activities**

If you look at Table 3 Governmental Activities below, 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 Works 23% in 2010 and 24% in 2011 and Public Safety 50% in both 2010 and 2011 of all Governmental disbursements, respectively. General Government also represents a significant cost, about 10% in 2010 and 11% in 2011. 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)

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2011	2011	2010	2010
General Government	\$ 251,490	\$ (251,490)	\$ 273,379	\$ (273,379)
Public Safety	1,297,567	(1,271,743)	1,257,678	(1,237,151)
Public Works	620,663	(417,983)	591,835	(390,445)
Health	50,946	(50,946)	27,941	(27,941)
Conservation-Recreation	3,441	(3,441)	2,335	(2,335)
Capital Outlay	74,813	(74,813)	72,212	(72,212)
Other	-	1,000	-	1,000
Principal Retirement	195,877	(195,877)	200,568	(200,568)
Interest and Fiscal Charges	85,828	(85,828)	88,988	(88,988)
<b>Total Expenses</b>	<b>\$ 2,580,625</b>	<b>\$ (2,351,121)</b>	<b>\$ 2,514,936</b>	<b>\$ (2,292,019)</b>

The dependence upon property tax receipts is apparent as over 92% of Governmental activities are supported through these general receipts.

### **The Township's Funds**

Total Governmental funds had receipts of \$2,693,521 in 2010 and disbursements of \$2,541,936 and receipts of \$2,977,447 in 2011 and disbursements of \$2,580,625. The next change in major fund balances depicts total receipts exceeding total disbursements.

General Fund receipts in 2011 were greater than disbursements by \$392,172 and in 2010 General Fund receipts were also greater than disbursements by \$20,266 indicating that the efforts to contain costs and limit expenses were successful. Road and Bridge Fund receipts in 2011 were greater than disbursements by \$42,901 and in 2010 Road and Bridge Fund receipts were less than disbursements by \$14,452. The Police Levy Fund receipts in 2011 were greater than disbursements by \$77,672 and in 2010 Police Levy Fund receipts were also greater than disbursements by \$201,755 as reported on the Statements of cash receipts, disbursements and changes in modified cash basis fund balances.

### **General Fund Budgeting Highlights**

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

During 2011 the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were higher than original budgeted receipts due to unexpected receipts; in particular Estate Tax.

Final disbursements in General Fund in 2011 were budgeted at \$619,185 while actual disbursements were \$383,454. At year-end 2011, the Township spent approximately 71% of budgeted amounts.

During 2010, the Township amended the General Fund budget several times to reflect changing circumstances. Final budgeted receipts were higher than original budgeted receipts due to unexpected receipts.

Final disbursements in the General Fund in 2010 were budgeted at \$690,695 while actual disbursements were \$373,934. At year-end 2010, the Township spent approximately 59% of budgeted amounts.

### **Capital Assets and Debt Administration**

#### Capital Assets

The Township keeps track of its capital assets and infrastructure. The capital assets are recorded in the UAN inventory module. The infrastructure is kept separately in a Township Road Plan Manual.

#### Debt

At December 31, 2011, the Township's outstanding debt included \$522,498 on a mortgage with 1<sup>st</sup> National Community Bank to pay for the construction of the new administration building, which was constructed in 2002; \$9,894 the balance on a mortgage to pay for the purchase of a 2010 Ford Expedition for the police department including interest and \$918,355 to pay a tax increment revenue bond with JPMorgan Chase Bank for the construction of McGuffey Drive.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

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At December 30, 2010 the Township's outstanding debt included \$577,911 on a mortgage with 1<sup>st</sup> National Community Bank to pay for the construction of the new administration building, which was constructed in 2002; \$19,163 the balance on a mortgage to pay for the purchase of a 2010 Ford Expedition for the police department including interest and \$1,049,548 to pay a tax increment revenue bond with JPMorgan Chase Bank for the construction of McGuffey Drive.

### **Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. The continuing cost of road materials is making it very difficult to stay on schedule with our chip and seal program. If this trend continues, the trustees will need to consider a road levy to supplement the public works funding in order to properly maintain the roads in the Township.

### **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 Deborah Dawson, Fiscal Officer, St. Clair Township, 15442 Pugh Road, Calcutta, Ohio 43920.

**St. Clair Township, Columbiana County**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2011*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,259,717
<i>Total Assets</i>	2,259,717
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	37,449
Debt Service	1
Other Purposes	1,004,492
Unrestricted	1,217,775
<i>Total Net Assets</i>	\$ 2,259,717

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



**St. Clair Township, Columbiana County**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2011

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 251,490	\$ -	\$ -	\$ -	\$ (251,490)
Public Safety	1,297,567	25,824	-	-	(1,271,743)
Public Works	620,663	64,860	114,562	23,258	(417,983)
Health	50,946	-	-	-	(50,946)
Conservation-Recreation	3,441	-	-	-	(3,441)
Other	-	-	1,000	-	1,000
Capital Outlay	84,082	-	-	-	(84,082)
Debt Service:					
Principal	186,608	-	-	-	(186,608)
Interest	85,828	-	-	-	(85,828)
<i>Total Governmental Activities</i>	<u>\$ 2,580,625</u>	<u>\$ 90,684</u>	<u>\$ 115,562</u>	<u>\$ 23,258</u>	<u>\$ (2,351,121)</u>
<b>General Receipts</b>					
Property Taxes					1,765,352
Other Taxes					61,341
Grants and Entitlements not Restricted to Specific Programs					837,600
Cable Franchise Fees					65,383
Interest					2,295
Miscellaneous					15,972
<i>Total General Receipts</i>					<u>2,747,943</u>
Change in Net Assets					<u>396,822</u>
<i>Net Assets Beginning of Year</i>					<u>1,862,895</u>
<i>Net Assets End of Year</i>					<u>\$ 2,259,717</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 1,217,775	\$ 248,321	\$ 575,812	\$ 30,769	\$ 187,040	\$ 2,259,717
<i>Total Assets</i>	<u>1,217,775</u>	<u>248,321</u>	<u>575,812</u>	<u>30,769</u>	<u>187,040</u>	<u>2,259,717</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restriected	-	248,321	575,812	30,769	141,638	996,540
Committed	-	-	-	-	22,297	22,297
Assigned	-	-	-	-	23,105	23,105
Unassigned	1,217,775	-	-	-	-	1,217,775
	-	-	-	-	-	-
	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>\$ 1,217,775</u>	<u>\$ 248,321</u>	<u>\$ 575,812</u>	<u>\$ 30,769</u>	<u>\$ 187,040</u>	<u>\$ 2,259,717</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 132,037	\$ 290,125	\$ 905,832	\$ 236,149	\$ 262,550	\$ 1,826,693
Charges for Services	-	-	840	-	-	840
Licenses, Permits and Fees	65,383	-	-	-	792	66,175
Fines and Forfeitures	14,348	-	-	-	1,338	15,686
Intergovernmental	556,506	58,888	220,375	52,117	160,911	1,048,797
Interest	1,909	-	-	-	386	2,295
Other	5,443	1,455	1,598	-	8,465	16,961
<i>Total Receipts</i>	<u>775,626</u>	<u>350,468</u>	<u>1,128,645</u>	<u>288,266</u>	<u>434,442</u>	<u>2,977,447</u>
<b>Disbursements</b>						
Current:						
General Government	236,841	-	-	-	14,649	251,490
Public Safety	3,827	-	998,193	277,979	17,568	1,297,567
Public Works	67,070	307,567	-	-	246,026	620,663
Health	29,215	-	-	-	21,731	50,946
Conservation-Recreation	3,441	-	-	-	-	3,441
Capital Outlay	23,145	-	51,487	-	9,450	84,082
Debt Service:						
Principal Retirement	433	-	-	-	186,175	186,608
Interest and Fiscal Charges	19,482	-	1,293	-	65,053	85,828
<i>Total Disbursements</i>	<u>383,454</u>	<u>307,567</u>	<u>1,050,973</u>	<u>277,979</u>	<u>560,652</u>	<u>2,580,625</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	392,172	42,901	77,672	10,287	(126,210)	396,822
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	13,314	13,314
Transfers Out	(13,314)	-	-	-	-	(13,314)
Advances In	45,116	-	-	-	45,116	90,232
Advances Out	(45,116)	-	-	-	(45,116)	(90,232)
<i>Total Other Financing Sources (Uses)</i>	<u>(13,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,314</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	378,858	42,901	77,672	10,287	(112,896)	396,822
<i>Fund Balances Beginning of Year</i>	<u>838,917</u>	<u>205,420</u>	<u>498,140</u>	<u>20,482</u>	<u>299,936</u>	<u>1,862,895</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,217,775</u>	<u>\$ 248,321</u>	<u>\$ 575,812</u>	<u>\$ 30,769</u>	<u>\$ 187,040</u>	<u>\$ 2,259,717</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 166,750	\$ 178,043	\$ 132,037	\$ (46,006)
Licenses, Permits and Fees	65,383	65,383	65,383	-
Fines and Forfeitures	5,000	14,348	14,348	-
Intergovernmental	95,077	556,506	556,506	-
Interest	1,200	1,909	1,909	-
Other	1,487	5,443	5,443	-
<i>Total receipts</i>	<u>334,897</u>	<u>821,632</u>	<u>775,626</u>	<u>(46,006)</u>
<b>Disbursements</b>				
Current:				
General Government	425,311	396,902	236,841	160,061
Public Safety	1,500	4,400	3,827	573
Public Works	83,050	83,067	67,070	15,997
Health	30,000	30,000	29,215	785
Conservation-Recreation	4,500	4,750	3,441	1,309
Capital Outlay	10,500	33,645	23,145	10,500
Debt Service:				
Principal Retirement	46,804	46,804	433	46,371
Interest and Fiscal Charges	19,117	19,617	19,482	135
<i>Total Disbursements</i>	<u>620,782</u>	<u>619,185</u>	<u>383,454</u>	<u>235,731</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(285,885)</u>	<u>202,447</u>	<u>392,172</u>	<u>189,725</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(13,314)	(343,663)	(13,314)	330,349
Advances In	-	-	45,116	45,116
Advances Out	-	(45,116)	(45,116)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(13,314)</u>	<u>(388,779)</u>	<u>(13,314)</u>	<u>375,465</u>
<i>Net Change in Fund Balance</i>	(299,199)	(186,332)	378,858	565,190
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>837,821</u>	<u>837,821</u>	<u>837,821</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,096</u>	<u>1,096</u>	<u>1,096</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 539,718</u>	<u>\$ 652,585</u>	<u>\$ 1,217,775</u>	<u>\$ 565,190</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road & Bridge Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 276,400	\$ 290,125	\$ 290,125	\$ -
Intergovernmental	40,200	58,888	58,888	-
Miscellaneous	-	1,455	1,455	-
<i>Total receipts</i>	<u>316,600</u>	<u>350,468</u>	<u>350,468</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	415,261	422,348	307,567	114,781
Capital Outlay	-	33,306	-	33,306
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<i>Total Disbursements</i>	<u>415,261</u>	<u>455,654</u>	<u>307,567</u>	<u>148,087</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,661)</u>	<u>(105,186)</u>	<u>42,901</u>	<u>148,087</u>
<i>Net Change in Fund Balance</i>	(98,661)	(105,186)	42,901	148,087
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>203,781</u>	<u>203,781</u>	<u>203,781</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,639</u>	<u>1,639</u>	<u>1,639</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$ 106,759</u></u>	<u><u>\$ 100,234</u></u>	<u><u>\$ 248,321</u></u>	<u><u>\$ 148,087</u></u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Police Levy Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 877,975	\$ 905,832	\$ 905,832	\$ -
Charges for Services	500	840	840	-
Intergovernmental	96,425	220,375	220,375	-
Other	500	1,598	1,598	-
<i>Total receipts</i>	<u>975,400</u>	<u>1,128,645</u>	<u>1,128,645</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,156,308	1,293,306	998,193	295,113
Capital Outlay	23,200	43,718	51,487	(7,769)
Debt Service:				
Principal Retirement	9,269	9,269	-	9,269
Interest and Fiscal Charges	1,293	1,293	1,293	-
<i>Total Disbursements</i>	<u>1,190,070</u>	<u>1,347,586</u>	<u>1,050,973</u>	<u>296,613</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(214,670)</u>	<u>(218,941)</u>	<u>77,672</u>	<u>296,613</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>493,364</u>	<u>493,364</u>	<u>493,364</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>4,776</u>	<u>4,776</u>	<u>4,776</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 283,470</u>	<u>\$ 279,199</u>	<u>\$ 575,812</u>	<u>\$ 296,613</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 228,200	\$ 236,149	\$ 236,149	\$ -
Intergovernmental	26,600	52,117	52,117	-
<i>Total receipts</i>	<u>254,800</u>	<u>288,266</u>	<u>288,266</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	274,182	308,748	277,979	30,769
<i>Total Disbursements</i>	<u>274,182</u>	<u>308,748</u>	<u>277,979</u>	<u>30,769</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(19,382)</u>	<u>(20,482)</u>	<u>10,287</u>	<u>30,769</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>20,482</u>	<u>20,482</u>	<u>20,482</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ 30,769</u>	<u>\$ 30,769</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2010*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,862,895
<i>Total Assets</i>	1,862,895
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	83,525
Debt Service	1
Other Purposes	940,452
Unrestricted	838,917
<i>Total Net Assets</i>	\$ 1,862,895

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



**St. Clair Township, Columbiana County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2010*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 273,379	\$ -	\$ -	\$ -	\$ (273,379)
Public Safety	1,257,678	20,527	-	-	(1,237,151)
Public Works	591,835	65,466	116,561	19,363	(390,445)
Health	27,941	-	-	-	(27,941)
Conservation-Recreation	2,335	-	-	-	(2,335)
Other	-	-	1,000	-	1,000
Capital Outlay	72,212	-	-	-	(72,212)
Debt Service:					
Principal	200,846	-	-	-	(200,846)
Interest	88,710	-	-	-	(88,710)
<i>Total Governmental Activities</i>	<u>\$ 2,514,936</u>	<u>\$ 85,993</u>	<u>\$ 117,561</u>	<u>\$ 19,363</u>	<u>\$ (2,292,019)</u>
<b>General Receipts</b>					
Property Taxes					1,799,818
Other Taxes					62,516
Grants and Entitlements not Restricted to Specific Programs					495,116
Special Assessments					10,190
Cable Franchise Fees					64,644
Interest					2,202
Miscellaneous					36,118
<i>Total General Receipts</i>					<u>2,470,604</u>
Change in Net Assets					<u>178,585</u>
<i>Net Assets Beginning of Year</i>					<u>1,684,310</u>
<i>Net Assets End of Year</i>					<u>\$ 1,862,895</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 838,917	\$ 205,420	\$ 498,140	\$ 20,482	\$ 299,936	\$ 1,862,895
<i>Total Assets</i>	<u>838,917</u>	<u>205,420</u>	<u>498,140</u>	<u>20,482</u>	<u>299,936</u>	<u>1,862,895</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restriected	-	205,420	498,140	20,482	277,089	1,001,131
Committed	-	-	-	-	-	-
Assigned	1,096	-	-	-	-	1,096
Unassigned	837,821	-	-	-	22,847	860,668
Capital Projects Funds	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>\$ 838,917</u>	<u>\$ 205,420</u>	<u>\$ 498,140</u>	<u>\$ 20,482</u>	<u>\$ 299,936</u>	<u>\$ 1,862,895</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 132,941	\$ 292,465	\$ 923,324	\$ 240,765	\$ 272,839	\$ 1,862,334
Charges for Services	-	-	1,123	-	-	1,123
Licenses, Permits and Fees	64,644	-	-	-	845	65,489
Fines and Forfeitures	9,070	-	-	-	1,222	10,292
Intergovernmental	172,787	66,305	242,207	62,056	159,955	703,310
Special Assessments	10,190	-	-	-	2,463	12,653
Interest	1,727	-	-	-	475	2,202
Other	2,841	455	16,260	-	16,562	36,118
<i>Total Receipts</i>	<u>394,200</u>	<u>359,225</u>	<u>1,182,914</u>	<u>302,821</u>	<u>454,361</u>	<u>2,693,521</u>
<b>Disbursements</b>						
Current:						
General Government	258,732	-	-	-	14,647	273,379
Public Safety	900	-	938,658	307,249	10,871	1,257,678
Public Works	71,471	345,979	-	-	174,385	591,835
Health	27,941	-	-	-	-	27,941
Conservation-Recreation	2,335	-	-	-	-	2,335
Capital Outlay	12,555	9,640	42,501	-	7,516	72,212
Debt Service:						
Principal Retirement	-	17,165	-	-	183,681	200,846
Interest and Fiscal Charges	-	893	-	-	87,817	88,710
<i>Total Disbursements</i>	<u>373,934</u>	<u>373,677</u>	<u>981,159</u>	<u>307,249</u>	<u>478,917</u>	<u>2,514,936</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	20,266	(14,452)	201,755	(4,428)	(24,556)	178,585
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	34,953	34,953
Transfers Out	(34,953)	-	-	-	-	(34,953)
<i>Total Other Financing Sources (Uses)</i>	(34,953)	-	-	-	34,953	-
<i>Net Change in Fund Balances</i>	(14,687)	(14,452)	201,755	(4,428)	10,397	178,585
<i>Fund Balances Beginning of Year</i>	<u>853,604</u>	<u>219,872</u>	<u>296,385</u>	<u>24,910</u>	<u>289,539</u>	<u>1,684,310</u>
<i>Fund Balances End of Year</i>	<u>\$ 838,917</u>	<u>\$ 205,420</u>	<u>\$ 498,140</u>	<u>\$ 20,482</u>	<u>\$ 299,936</u>	<u>\$ 1,862,895</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 128,826	\$ 132,941	\$ 132,941	\$ -
Licenses, Permits and Fees	58,000	64,644	64,644	-
Fines and Forfeitures	14,000	9,070	9,070	-
Intergovernmental	142,107	172,787	172,787	-
Special Assessments	-	10,190	10,190	-
Interest	4,100	1,604	1,727	123
Other	1,600	2,841	2,841	-
<i>Total receipts</i>	<u>348,633</u>	<u>394,077</u>	<u>394,200</u>	<u>123</u>
<b>Disbursements</b>				
Current:				
General Government	542,919	568,712	258,732	309,980
Public Safety	1,500	1,500	900	600
Public Works	72,847	74,284	71,471	2,813
Health	28,000	28,000	27,941	59
Conservation-Recreation	4,150	3,959	2,335	1,624
Capital Outlay	13,855	14,240	12,555	1,685
<i>Total Disbursements</i>	<u>663,271</u>	<u>690,695</u>	<u>373,934</u>	<u>316,761</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(314,638)</u>	<u>(296,618)</u>	<u>20,266</u>	<u>316,884</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(34,953)</u>	<u>47</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(34,953)</u>	<u>47</u>
<i>Net Change in Fund Balance</i>	<u>(349,638)</u>	<u>(331,618)</u>	<u>(14,687)</u>	<u>316,931</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>851,028</u>	<u>851,028</u>	<u>851,028</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>2,576</u>	<u>2,576</u>	<u>2,576</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 503,966</u>	<u>\$ 521,986</u>	<u>\$ 838,917</u>	<u>\$ 316,931</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road & Bridge Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 285,917	\$ 312,538	\$ 292,465	\$ (20,073)
Intergovernmental	32,900	46,232	66,305	20,073
Other	-	455	455	-
<i>Total receipts</i>	<u>318,817</u>	<u>359,225</u>	<u>359,225</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	512,289	543,057	345,979	197,078
Capital Outlay	-	-	9,640	(9,640)
Debt Service:				
Principal Retirement	17,165	17,165	17,165	-
Interest and Fiscal Charges	893	893	893	-
<i>Total Disbursements</i>	<u>530,347</u>	<u>561,115</u>	<u>373,677</u>	<u>187,438</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(211,530)</u>	<u>(201,890)</u>	<u>(14,452)</u>	<u>187,438</u>
<i>Net Change in Fund Balance</i>	(211,530)	(201,890)	(14,452)	187,438
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>218,294</u>	<u>218,294</u>	<u>218,294</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,578</u>	<u>1,578</u>	<u>1,578</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 8,342</u>	<u>\$ 17,982</u>	<u>\$ 205,420</u>	<u>\$ 187,438</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Police Levy Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 929,887	\$ 923,324	\$ 923,324	\$ -
Charges for Services	600	1,117	1,123	6
Intergovernmental	94,625	242,207	242,207	-
Other	-	16,260	16,260	-
<i>Total receipts</i>	<u>1,025,112</u>	<u>1,182,908</u>	<u>1,182,914</u>	<u>6</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,068,722	1,224,728	938,658	286,070
Capital Outlay	70,873	72,665	42,501	30,164
<i>Total Disbursements</i>	<u>1,139,595</u>	<u>1,297,393</u>	<u>981,159</u>	<u>316,234</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(114,483)</u>	<u>(114,485)</u>	<u>201,755</u>	<u>316,240</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>267,409</u>	<u>267,409</u>	<u>267,409</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>28,976</u>	<u>28,976</u>	<u>28,976</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 181,902</u>	<u>\$ 181,900</u>	<u>\$ 498,140</u>	<u>\$ 316,240</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 241,178	\$ 240,765	\$ 240,765	\$ -
Intergovernmental	22,800	62,056	62,056	-
<i>Total receipts</i>	<u>263,978</u>	<u>302,821</u>	<u>302,821</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	<u>278,809</u>	<u>317,653</u>	<u>307,249</u>	<u>10,404</u>
<i>Total Disbursements</i>	<u>278,809</u>	<u>317,653</u>	<u>307,249</u>	<u>10,404</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(14,831)</u>	<u>(14,832)</u>	<u>(4,428)</u>	<u>10,404</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>24,910</u>	<u>24,910</u>	<u>24,910</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 10,079</u>	<u>\$ 10,078</u>	<u>\$ 20,482</u>	<u>\$ 10,404</u>

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

### **Note 1 – Reporting Entity**

St. Clair Township, Columbiana County, Ohio, (the Township), is a body politic and corporate established on March 5, 1805 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, to ensure that the financial statements are not misleading.

#### ***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 governmental services, maintenance of Township roads and bridges, and provides a police department for police protection. The Township contracts with the Calcutta and Glenmoor Volunteer Fire Departments for fire protection.

### **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. Following are the more significant of the Township's accounting policies.

#### ***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 that 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. The statements show governmental activities of the Township. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance 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 and business-type 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 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.

### ***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 categorized as governmental.

### ***Governmental Funds***

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

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.

Road & Bridge Fund - The Road and Bridge Fund receives tax revenue which is used for Public Works expenditures.

Police Levy Fund - The Police Levy Fund receives tax revenue which is used to provide police protection to the residents of the township.

Fire Levy Fund - The Fire Levy Fund receives revenue for the fire protection services provided by Calcutta and Glenmoor Volunteer Fire Departments.

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

### ***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.

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.

### ***Budgetary Process***

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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 at the beginning of the year. 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 represent the final appropriation amounts passed by the Township during the year.

### ***Cash and Investments***

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. 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 (contra revenue), respectively.

During 2010 and 2011, the Township invested in STAR Ohio.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010 and December 31, 2011.

Interest earnings are allocated to Township funds according to state statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2011 was \$1,909 and \$1,727 for 2010.

***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.

***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.

***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.

***Accumulated Leave***

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

***Employer Contributions to Cost-Sharing Pension Plans***

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***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 interest payments are reported when paid.

***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.

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

### **Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road & Bridge Fund, Police Levy Fund, and Fire Levy Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance. The encumbrances outstanding at year end (budgetary basis) amounted to \$916 for the General Fund and \$40,344 for major special revenue funds for 2011. The encumbrances outstanding at year end (budgetary basis) amounted to \$1,096 for the General Fund and \$6,415 for major special revenue funds for 2010.

#### **Note 4 – Deposits and Investments**

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

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

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), or by a collateral pool established by the financial institution to secure the repayment of all public monies

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

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deposited with the institution.

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.

At year end, the Township had no un-deposited cash on hand.

***Deposits***

Custodial credit risk for deposits 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, 2011 and 2010 the bank balances were \$1,317,167 \$1,395,634 respectively, of the Township's bank balances \$1,067,167 and \$1,145,634 were 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.

***Investments***

Investments in STAR Ohio are not evidence by securities in physical or book-entry form.

As of December 31, 2011 and 2010, the Township had the following investments

	2011	2010	
	<u>Carrying Value</u>	<u>Carrying Value</u>	<u>Maturity</u>
JP Morgan Chase Bank			
High Yield Savings - Public Funds	\$1,267,816	\$1,246,561	1 Day
STAR Ohio	<u>941,050</u>	<u>519,768</u>	1 Day
	\$2,208,866	\$1,766,329	

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township does not have an investment policy; however it addresses interest rate risk by investing only in Certificates of Deposit, which is structured so the Township can meet its cash requirements for ongoing operations, thereby avoiding that need to sell securities on the open market, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating services and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2011 and 2010 represent the collection of 2010 and 2009 taxes. Real property taxes received in 2011 and 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2011 and 2010 represent the collection of 2010 and 2009 taxes. Public utility real and tangible personal property taxes received in 2011 and 2010 became a lien on December 31, 2010 and 2009, were levied after October 1, 2010 and 2009, 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.

The full tax rate for all Township operations for the year ended December 31, 2011 and 2010 was \$18.20 per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2011 and 2010 property tax receipts were based are as follows:

	2011	2010
Real Property		
Residential/Agricultural	\$ 106,235,570	\$ 106,235,570
Other Real	32,972,350	32,972,350
PUCO Personal	6,151,805	6,151,805
Residential/Ag New Construction	1,320,770	1,320,770
Other New Construction	115,150	115,150
Total Assessed Value	\$ 146,795,645	\$ 146,795,645

**Note 6 – 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

St. Clair Township  
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For the Years Ended December 31, 2011 and 2010

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Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts.

At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

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, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$21,637.

Based on discussions with OTARMA, the expected rates OTARMA charges 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 annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>		
<u>2011</u>	<u>2010</u>	<u>2009</u>
\$29,239	\$24,743	\$21,092

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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) 222-6705 or (800) 222-7377.

For the years ended December 31, 2011 and 2010, the members in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Public safety and law enforcement members contributed 11.00 percent and 11.60 percent for 2011 and 10.5 percent and 11.1 percent for 2010, respectively. The Township's contribution rate for pension benefits was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the Township's contribution was 18.10 percent of covered payroll for 2011 and 17.87 percent for 2010. 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, 2011, 2010, and 2009 were \$210,080, \$206,616, and \$217,583 respectively. The full amount has been contributed for 2011, 2010, and 2009. Contributions to the member-directed plan for 2011 were \$126,222 made by the Township and \$83,858 made by the plan members.

**Note 8 – Postemployment Benefits**

***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 Post Employment Benefit. 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 2011 and 2010 local Township employer contribution rate was 14.0 percent of covered payroll (18.10 percent for 2011 and 17.87 percent for 2010 for public safety and law enforcement).

St. Clair Township  
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For the Years Ended December 31, 2011 and 2010

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The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2011 was 4.0 percent and for 2010 was 5.50 from January 1, 2010 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05 percent and for 2010 was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010.

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, 2009, 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 between .50 and 4 percent annually for the next seven years and 4 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 363,503. Actual employer contributions for 2011 and 2010 which were used to fund post employment benefits, were 14%.

The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2009, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 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. 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 9 – Debt**

The Township's long-term debt activity for the years ended December 31, 2011 and 2010 was as follows:

Governmental Activities	Interest Rate	Principal Outstanding			Principal Outstanding			Principal Outstanding
		12/31/2009	Additions	Deductions	12/31/2010	Additions	Deductions	
2007 Truck Purchase	5.13%	\$ 17,154	\$ -	\$ 17,154	\$ -	\$ -	\$ -	\$ -
2002 Administrative Bldg	4.00%	630,409	-	52,498	577,911	-	55,413	522,498
Tax incr. Revenue Bonds	5.18%	1,180,742	-	131,194	1,049,548	-	131,195	918,353
		<u>\$ 1,828,305</u>	<u>\$ -</u>	<u>\$ 200,846</u>	<u>\$ 1,627,459</u>	<u>\$ -</u>	<u>\$ 186,608</u>	<u>\$ 1,440,851</u>

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

Year	General Obligation Notes		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 61,113	\$ 1,874	\$ 131,194	\$ 47,571
2013	58,254	-	131,194	40,775
2014	60,815	-	131,194	33,979
2015	63,488	-	131,194	-
2016	66,244	-	131,194	-
2017-2019	212,584	-	262,384	-
<b>Totals</b>	<b>\$ 522,498</b>	<b>\$ 1,874</b>	<b>\$ 918,354</b>	<b>\$ 122,325</b>

There is also a balloon payment on the mortgage for the purchase, renovation, and construction of the new Township Administration Building in 2012. The 2007 Truck purchase loan was issued for \$48,986. The Township will make annual payments on the note in the amount of \$18,057 including interest; the last payment for that loan was made in 2010. The administrative building construction loan was issued in 2002 for \$994,000. The Township makes monthly payments on the note in the amount of \$6,592 including interest.

**Note 10 – Interfund Transfers**

During 2011 and 2010, the General Fund transferred \$13,314 and \$34,953, respectively to the Excise (Lodging) Tax Fund. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11 – Public Entity Risk Pool**

The only public pool that the Township participates in, is the Columbiana County random drug and alcohol testing pool, which includes those employees possessing CDL's (Commercial Driving License). The Township is also a member of OTARMA (Ohio Township Association Risk Management Authority).

**Note 12 – Change in Accounting Principles**

For 2010, the Township has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

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**Note – 13 Other Commitments**

The Township utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Township's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End</u>	
	<u>Encumbrances</u>	
	<u>2011</u>	<u>2010</u>
General	\$ 916	\$ 1,096
Road & Bridge	34,872	1,639
Police Levy	5,472	4,776
Other Governmental	22,297	23,211
	<u>\$ 63,557</u>	<u>\$ 30,722</u>



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

St. Clair Township  
Columbiana County  
15442 Pugh Road  
Calcutta, Ohio 43920

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 St. Clair Township, Columbiana County, (the Township) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 30, 2012, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 intend this report solely for the information and use of management and the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.



**Canter & Associates**

Poland, Ohio

August 30, 2012



# Dave Yost • Auditor of State

**ST. CLAIR TOWNSHIP**

**COLUMBIANA 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 13, 2012**