



Mary Taylor, CPA
Auditor of State

**PORTER TOWNSHIP
SCIOTO COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets – Modified Cash Basis – December 31, 2006.....	9
Statement of Activities – Modified Cash Basis – For the Year Ended December 31, 2006	10
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2006.....	11
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2006	12
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2006	13
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2006	14
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire Fund For the Year Ended December 31, 2006	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Emergency Medical Services Fund For the Year Ended December 31, 2006	16
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – FEMA Fund For the Year Ended December 31, 2006	17
Statement of Net Assets – Modified Cash Basis – December 31, 2005.....	19
Statement of Activities – Modified Cash Basis – For the Year Ended December 31, 2005	20
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds December 31, 2005.....	21
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2005.....	22
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund For the Year Ended December 31, 2005	23

PORTER TOWNSHIP
SCIOTO COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2005	24
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Fire Fund For the Year Ended December 31, 2005	25
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – Emergency Medical Services Fund For the Year Ended December 31, 2005	26
Notes to the Basic Financial Statements	27
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	39
Schedule of Findings	41
Schedule of Prior Audit Findings	43



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Porter Township
Scioto County
1535 Dogwood Ridge Road
P.O. Box 427
Wheelersburg, Ohio 45694

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 Porter Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, 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 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Porter Township, Scioto County, Ohio, as of December 31, 2006 and 2005, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General, Road and Bridge, Fire, Emergency Medical Services, and FEMA Funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2007, 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

October 23, 2007

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

This discussion and analysis of Porter Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's modified 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 2006 and 2005 are as follows:

Net assets of governmental activities increased \$222,100, or 22.38 percent in 2006. Net assets of governmental activities increased \$248,089, or 33.34 percent in 2005. The fund most affected by the increase in cash and cash equivalents in 2006 was the Fire Fund, which realized the greatest increase in revenue in 2006. The fund most affected by the increase in 2005 was the General Fund, which realized the greatest excess of receipts over disbursements in 2005.

The Township's general receipts are primarily property taxes. These receipts represent 65.49 percent of the total cash received for governmental activities during 2006 and 72.91 percent of the total cash received for governmental activities during 2005. Property tax receipts for 2006 and 2005 changed little as development within the Township has slowed.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

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

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year's end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position represent one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well, such as the condition of 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 and gasoline taxes.

In the statement of net assets and the statement of activities, the Township has only governmental type activities:

Governmental activities. All of the Township's basic services are reported here. State and federal grants and property and gasoline 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 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. For 2006, the Township's major governmental funds are the General Fund, Road and Bridge Fund, Fire Fund, Emergency Medical Services Fund, and FEMA Fund. For 2005, the Township's major governmental funds are the General Fund, Road and Bridge Fund, Fire Fund, and Emergency Medical Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2006 and 2005 compared to 2004 on a modified cash basis:

	Governmental Activities		
	2006	2005	2004
Assets			
Cash and Cash Equivalents	\$163,392	\$476,591	\$136,106
Investments	1,051,052	515,753	608,129
Total Assets	\$1,214,444	\$992,344	\$744,235
Net Assets			
Restricted for:			
Other Purposes	\$763,523	\$552,207	\$430,069
Unrestricted	450,921	440,137	314,186
Total Net Assets	\$1,214,444	\$992,344	\$744,255

As mentioned previously, net assets of governmental activities increased \$222,100, or 22.38 percent during 2006 and increased \$248,089, or 33.34 percent during 2005.

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

Table 2 reflects the changes in net assets in 2006 and 2005. Listed below is a comparative analysis of government-wide data.

(Table 2)
Change in Net Assets

	Governmental Activities 2006	Governmental Activities 2005	Governmental Activities 2004
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$82,273	\$54,311	
Operating Grants and Contribution:	256,325	261,830	\$658,073
Capital Grants and Contributions	261,250		
Total Program Receipts	<u>599,848</u>	<u>316,141</u>	<u>658,073</u>
General Receipts:			
Property and Other local Taxes	1,829,911	1,674,884	1,567,898
Grants and Entitlements Not Restricti	104,742	141,974	71,580
Interest	64,980	29,916	8,916
Miscellaneous	72,964	25,954	66,389
Total General Receipts	<u>2,072,597</u>	<u>1,872,728</u>	<u>1,714,783</u>
Total Receipts	<u>2,672,445</u>	<u>2,188,869</u>	<u>2,372,856</u>
Disbursements:			
General Government	399,817	381,499	323,828
Public Safety	1,114,648	946,952	989,884
Public Works	378,380	400,707	390,818
Health	153,088	153,919	161,719
Conservation - Recreation	76,076	45,408	55,273
Capital Outlay	328,336	12,295	218,621
Debt Service			87,011
Total Disbursements	<u>2,450,345</u>	<u>1,940,780</u>	<u>2,227,154</u>
Increase (Decrease) in Net Assets	222,100	248,089	145,702
Net Assets, January 1	992,344	744,255	598,553
Net Assets, December 31	<u>\$1,214,444</u>	<u>\$992,344</u>	<u>\$744,255</u>

Program receipts represent only 22.45 percent of total receipts in 2006 and 14.44 percent of total receipts in 2005 and are primarily comprised of restricted intergovernmental receipts such as charges for services and grants and contributions.

General receipts represent 77.55 percent of the Township's total receipts for 2006 and 85.56 percent of the Township's total receipts for 2005, and of this amount, 88.29 percent are property and other local taxes in 2006 and 89.43 percent are property and other local taxes in 2005. Grants and entitlements not restricted to Specific Programs, Interest and Miscellaneous receipts make up the balance of the Township's general receipts. 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.

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

Governmental Activities

If you look at the Statements of Activities on pages 10 and 20, 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 general government, public safety and public works, which account for 77.25 and 89.10 percent of all government disbursements, for 2006 and 2005 respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities			
	Total Cost	Net Cost	Total Cost	Net Cost
	Of Services	of Services	Of Services	of Services
	2006	2006	2005	2005
General Government	\$399,817	\$399,817	\$381,499	\$381,499
Public Safety	1,114,648	734,326	946,952	835,579
Public Works	378,380	218,976	400,707	250,250
Health	153,088	153,088	153,919	153,919
Conservation - Recreation	76,076	15,954	45,408	(8,903)
Capital Outlay	328,336	328,336	12,295	12,295
Total Expenses	\$2,450,345	\$1,850,497	\$1,940,780	\$1,624,639

The Township's Funds

Total governmental funds had receipts of \$2,672,445 and disbursements of \$2,450,345 in 2006 and had receipts of \$2,188,869 and disbursements of \$1,940,780 in 2005. In 2006, the greatest change within governmental funds occurred within the Fire Fund. The fund balance of the Fire Fund increased \$110,230 in 2006 as the result of increased tax receipts from the county. In 2005, the greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$125,971 in 2005 as the result of increases in earnings on investments and a decrease in expenditures.

General Fund Budgeting Highlights

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

In 2006, General Fund budget basis receipts were \$731,574 and \$707,027 in 2005. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2006 were \$721,675, \$8,703 under cash receipts. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2005 were \$581,056, \$114,551 under cash receipts.

Porter Township, Scioto County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005

During 2006, the General Fund final budgeted receipts were equal to original budgeted receipts as there were no amendments during the year. In 2006, the difference between final budgeted receipts and actual receipts was significant, with actual receipts exceeding budgeted receipts by \$59,574. Final disbursements were budgeted at \$1,112,137 while actual disbursements were \$721,675. Although receipts exceeded expectations, appropriations were not amended. The result is the increase in fund balance of \$9,899 for 2006. In 2005, the difference between final budgeted receipts and actual receipts was significant, with actual receipts exceeding budgeted receipts by \$80,031. Final disbursements were budgeted at \$941,162 while actual disbursements were \$581,056. Although receipts exceeded expectations, appropriations were not amended. The result is the increase in fund balance of \$125,971 for 2005.

Debt

At December 31, 2006, the Township had no debt outstanding.

Current Financial Related Activities

Porter Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially the future is not without challenges.

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 Ted Adams, Fiscal Officer, Porter Township, 1535 Dogwood Ridge Road, Wheelersburg, Ohio 45694.

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Net Assets - Modified Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$163,392
Investments	<u>1,051,052</u>
<i>Total Assets</i>	<u><u>\$1,214,444</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$763,523
Unrestricted	<u>450,921</u>
<i>Total Net Assets</i>	<u><u>\$1,214,444</u></u>

See accompanying notes to the basic financial statements.

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2006

	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
Governmental Activities					
General Government	\$399,817				(\$399,817)
Public Safety	1,114,648	\$22,151	\$96,921	\$261,250	(734,326)
Public Works	378,380		159,404		(218,976)
Health	153,088				(153,088)
Conservation - Recreation	76,076	60,122			(15,954)
Capital Outlay	328,336				(328,336)
<i>Total Governmental Activities</i>	<u>\$2,450,345</u>	<u>\$82,273</u>	<u>\$256,325</u>	<u>\$261,250</u>	<u>(\$1,850,497)</u>
		General Receipts			
		Property Taxes			1,750,142
		Other Taxes			79,769
		Grants and Entitlements not Restricted to Specific Programs			104,742
		Earning on Investments			64,980
		Miscellaneous			72,964
		<i>Total General Receipts</i>			2,072,597
		Change in Net Assets			222,100
		<i>Net Assets Beginning of Year</i>			992,344
		<i>Net Assets End of Year</i>			<u>\$1,214,444</u>

See accompanying notes to the basic financial statements.

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006*

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire</u>	<u>Emergency Services</u>	<u>FEMA</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Equity in Pooled Cash and Cash Equivalents	\$60,980	\$19,509	\$32,883	\$44,456		\$5,564	\$163,392
Investments	389,941	124,024	209,159	290,090		37,838	1,051,052
<i>Total Assets</i>	<u>\$450,921</u>	<u>\$143,533</u>	<u>\$242,042</u>	<u>\$334,546</u>	<u>\$0</u>	<u>\$43,402</u>	<u>\$1,214,444</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$885	\$856	\$1,179	\$2,251			\$5,171
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	450,036						450,036
Special Revenue Funds		142,677	240,863	332,295		43,402	759,237
<i>Total Fund Balances</i>	<u>\$450,921</u>	<u>\$143,533</u>	<u>\$242,042</u>	<u>\$334,546</u>	<u>\$0</u>	<u>\$43,402</u>	<u>\$1,214,444</u>

See accompanying notes to the basic financial statements

**PORTER TOWNSHIP
SCIOTO COUNTY**

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

	General	Road and Bridge	Fire	Emergency Services	FEMA	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$420,115	\$267,947	\$358,196	\$524,814		\$179,070	\$1,750,142
Charges for Services	60,122			22,151			82,273
Licenses, Permits and Fees	79,769						79,769
Intergovernmental	104,741	22,910	33,962	45,107	\$261,250	154,347	622,317
Earnings on Investments	61,731					3,249	64,980
Miscellaneous	3,900	134	46,326	5,883			56,243
<i>Total Receipts</i>	<u>730,378</u>	<u>290,991</u>	<u>438,484</u>	<u>597,955</u>	<u>261,250</u>	<u>336,666</u>	<u>2,655,724</u>
Disbursements							
Current:							
General Government	399,817						399,817
Public Safety	30,508		322,908	520,139		241,093	1,114,648
Public Works		244,854				133,526	378,380
Health	153,088						153,088
Conservation - Recreation	76,076						76,076
Capital Outlay	61,301	439	5,346		261,250		328,336
<i>Total Disbursements</i>	<u>720,790</u>	<u>245,293</u>	<u>328,254</u>	<u>520,139</u>	<u>261,250</u>	<u>374,619</u>	<u>2,450,345</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>9,588</u>	<u>45,698</u>	<u>110,230</u>	<u>77,816</u>	<u>0</u>	<u>(37,953)</u>	<u>205,379</u>
Other Financing Sources (Uses)							
Sale of Assets		15,525					15,525
Other Financing Sources	1,196						1,196
<i>Total Other Financing Sources (Uses)</i>	<u>1,196</u>	<u>15,525</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,721</u>
<i>Net Change in Fund Balances</i>	10,784	61,223	110,230	77,816	0	(37,953)	222,100
<i>Fund Balances Beginning of Year</i>	440,137	82,310	131,812	256,730	0	81,355	992,344
<i>Fund Balances End of Year</i>	<u>\$450,921</u>	<u>\$143,533</u>	<u>\$242,042</u>	<u>\$334,546</u>	<u>\$0</u>	<u>\$43,402</u>	<u>\$1,214,444</u>

See accompanying notes to the basic financial statements

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$388,000	\$388,000	\$420,115	\$32,115
Charges for Services			60,122	60,122
Licenses, Permits and Fees	78,000	78,000	79,769	1,769
Intergovernmental	130,500	130,500	104,741	(25,759)
Earnings on Investments	20,000	20,000	61,731	41,731
Miscellaneous	51,000	51,000	3,900	(47,100)
<i>Total receipts</i>	<u>667,500</u>	<u>667,500</u>	<u>730,378</u>	<u>62,878</u>
Disbursements				
Current:				
General Government	773,137	773,137	400,702	372,435
Public Safety			30,508	(30,508)
Health	170,000	170,000	153,088	16,912
Conservation - Recreation	114,000	114,000	76,076	37,924
Capital Outlay	55,000	55,000	61,301	(6,301)
<i>Total Disbursements</i>	<u>1,112,137</u>	<u>1,112,137</u>	<u>721,675</u>	<u>390,462</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(444,637)</u>	<u>(444,637)</u>	<u>8,703</u>	<u>453,340</u>
Other Financing Sources (Uses)				
Other Financing Sources	4,500	4,500	1,196	(3,304)
<i>Total Other Financing Sources (Uses)</i>	<u>4,500</u>	<u>4,500</u>	<u>1,196</u>	<u>(3,304)</u>
<i>Net Change in Fund Balance</i>	(440,137)	(440,137)	9,899	450,036
<i>Fund Balance Beginning of Year</i>	<u>440,137</u>	<u>440,137</u>	<u>440,137</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$450,036</u></u>	<u><u>\$450,036</u></u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$252,000	\$252,000	\$267,947	\$15,947
Intergovernmental	32,900	32,900	22,910	(9,990)
Miscellaneous	100	100	134	34
<i>Total receipts</i>	<u>285,000</u>	<u>285,000</u>	<u>290,991</u>	<u>5,991</u>
Disbursements				
Current:				
Public Works	364,310	364,310	245,710	118,600
Capital Outlay	3,000	3,000	439	2,561
<i>Total Disbursements</i>	<u>367,310</u>	<u>367,310</u>	<u>246,149</u>	<u>121,161</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(82,310)</u>	<u>(82,310)</u>	<u>44,842</u>	<u>127,152</u>
Other Financing Sources (Uses)				
Sale of Assets	—	—	15,525	15,525
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>15,525</u>	<u>15,525</u>
<i>Net Change in Fund Balance</i>	(82,310)	(82,310)	60,367	142,677
<i>Fund Balance Beginning of Year</i>	<u>82,310</u>	<u>82,310</u>	<u>82,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$142,677</u>	<u>\$142,677</u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$319,000	\$319,000	\$358,196	\$39,196
Intergovernmental	35,000	35,000	33,962	(1,038)
Miscellaneous	8,000	8,000	46,326	38,326
<i>Total receipts</i>	<u>362,000</u>	<u>362,000</u>	<u>438,484</u>	<u>76,484</u>
Disbursements				
Current:				
Public Safety	483,812	483,812	324,087	159,725
Capital Outlay	10,000	10,000	5,346	4,654
<i>Total Disbursements</i>	<u>493,812</u>	<u>493,812</u>	<u>329,433</u>	<u>164,379</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(131,812)	(131,812)	109,051	240,863
<i>Fund Balance Beginning of Year</i>	<u>131,812</u>	<u>131,812</u>	<u>131,812</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$240,863</u>	<u>\$240,863</u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Emergency Medical Services
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$487,000	\$487,000	\$524,814	\$37,814
Charges for Services	40,000	40,000	22,151	(17,849)
Intergovernmental	63,000	63,000	45,107	(17,893)
Miscellaneous	1,000	1,000	5,883	4,883
<i>Total receipts</i>	<u>591,000</u>	<u>591,000</u>	<u>597,955</u>	<u>6,955</u>
Disbursements				
Current:				
Public Safety	837,730	837,730	522,390	315,340
Capital Outlay	10,000	10,000		10,000
<i>Total Disbursements</i>	<u>847,730</u>	<u>847,730</u>	<u>522,390</u>	<u>325,340</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(256,730)	(256,730)	75,565	332,295
<i>Fund Balance Beginning of Year</i>	<u>256,730</u>	<u>256,730</u>	<u>256,730</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$332,295</u>	<u>\$332,295</u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
FEMA
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	<u>\$261,250</u>	<u>\$261,250</u>	<u>\$261,250</u>	<u>\$0</u>
<i>Total receipts</i>	<u>261,250</u>	<u>261,250</u>	<u>261,250</u>	<u>0</u>
Disbursements				
Capital Outlay	<u>261,250</u>	<u>261,250</u>	<u>261,250</u>	<u>0</u>
<i>Total Disbursements</i>	<u>261,250</u>	<u>261,250</u>	<u>261,250</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Net Assets - Modified Cash Basis
December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$476,591
Investments	<u>515,753</u>
<i>Total Assets</i>	<u><u>\$992,344</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$552,207
Unrestricted	<u>440,137</u>
<i>Total Net Assets</i>	<u><u>\$992,344</u></u>

See accompanying notes to the basic financial statements.

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2005*

	Program Cash Receipts		Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Receipts and Changes in Net Assets
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government	\$381,499		(\$381,499)
Public Safety	946,952		(835,579)
Public Works	400,707	\$111,373	(250,250)
Health	153,919	150,457	(153,919)
Conservation - Recreation	45,408	\$54,311	8,903
Capital Outlay	12,295		(12,295)
Total Governmental Activities	\$1,940,780	\$54,311	(\$1,624,639)
		General Receipts	
		Property Taxes	1,595,896
		Other Taxes	78,988
		Grants and Entitlements not Restricted to Specific Programs	141,974
		Earning on Investments	29,916
		Miscellaneous	25,954
		Total General Receipts	1,872,728
		Change in Net Assets	248,089
		Net Assets Beginning of Year	744,255
		Net Assets End of Year	\$992,344

See accompanying notes to the basic financial statements.

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005*

	<u>General</u>	<u>Road and Bridge</u>	<u>Fire</u>	<u>Emergency Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$211,658	\$39,503	\$63,217	\$123,150	\$39,063	\$476,591
Investments	228,479	42,807	68,595	133,580	42,292	515,753
<i>Total Assets</i>	<u>\$440,137</u>	<u>\$82,310</u>	<u>\$131,812</u>	<u>\$256,730</u>	<u>\$81,355</u>	<u>\$992,344</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$440,137					\$440,137
Special Revenue Funds		\$82,310	\$131,812	\$256,730	\$81,355	552,207
<i>Total Fund Balances</i>	<u>\$440,137</u>	<u>\$82,310</u>	<u>\$131,812</u>	<u>\$256,730</u>	<u>\$81,355</u>	<u>\$992,344</u>

See accompanying notes to the basic financial statements

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005*

	General	Road and Bridge	Fire	Emergency Services	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$400,731	\$253,700	\$273,928	\$497,286	\$170,251	\$1,595,896
Charges for Services	54,311					54,311
Licenses, Permits and Fees	78,988					78,988
Intergovernmental	132,966	31,749	33,748	62,106	143,235	403,804
Earnings on Investments	28,420				1,496	29,916
Miscellaneous	191	259	13,902	182		14,534
<i>Total Receipts</i>	<u>695,607</u>	<u>285,708</u>	<u>321,578</u>	<u>559,574</u>	<u>314,982</u>	<u>2,177,449</u>
Disbursements						
Current:						
General Government	381,499					381,499
Public Safety			258,197	501,100	187,655	946,952
Public Works		278,407			122,300	400,707
Health	153,919					153,919
Conservation - Recreation	45,408					45,408
Capital Outlay	230	1,530	5,042	5,493		12,295
<i>Total Disbursements</i>	<u>581,056</u>	<u>279,937</u>	<u>263,239</u>	<u>506,593</u>	<u>309,955</u>	<u>1,940,780</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>114,551</u>	<u>5,771</u>	<u>58,339</u>	<u>52,981</u>	<u>5,027</u>	<u>236,669</u>
Other Financing Sources (Uses)						
Sale of Assets	6,000					6,000
Other Financing Sources	5,420					5,420
<i>Total Other Financing Sources (Uses)</i>	<u>11,420</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,420</u>
<i>Net Change in Fund Balances</i>	125,971	5,771	58,339	52,981	5,027	248,089
<i>Fund Balances Beginning of Year</i>	<u>314,166</u>	<u>76,539</u>	<u>73,473</u>	<u>203,749</u>	<u>76,328</u>	<u>744,255</u>
<i>Fund Balances End of Year</i>	<u>\$440,137</u>	<u>\$82,310</u>	<u>\$131,812</u>	<u>\$256,730</u>	<u>\$81,355</u>	<u>\$992,344</u>

See accompanying notes to the basic financial statements

**PORTER TOWNSHIP
SCIOTO COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$355,372	\$355,372	\$400,731	\$45,359
Charges for Services			54,311	54,311
Licenses, Permits and Fees	70,047	70,047	78,988	8,941
Intergovernmental	117,916	117,916	132,966	15,050
Earnings on Investments	25,203	25,203	28,420	3,217
Miscellaneous	53,651	53,651	191	(53,460)
<i>Total receipts</i>	<u>622,189</u>	<u>622,189</u>	<u>695,607</u>	<u>73,418</u>
Disbursements				
Current:				
General Government	633,162	633,162	381,499	251,663
Health	170,000	170,000	153,919	16,081
Conservation - Recreation	133,000	133,000	45,408	87,592
Capital Outlay	5,000	5,000	230	4,770
<i>Total Disbursements</i>	<u>941,162</u>	<u>941,162</u>	<u>581,056</u>	<u>360,106</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(318,973)</u>	<u>(318,973)</u>	<u>114,551</u>	<u>433,524</u>
Other Financing Sources (Uses)				
Sale of Assets			6,000	6,000
Other Financing Sources	4,807	4,807	5,420	613
<i>Total Other Financing Sources (Uses)</i>	<u>4,807</u>	<u>4,807</u>	<u>11,420</u>	<u>6,613</u>
<i>Net Change in Fund Balance</i>	(314,166)	(314,166)	125,971	440,137
<i>Fund Balance Beginning of Year</i>	<u>314,166</u>	<u>314,166</u>	<u>314,166</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$440,137</u></u>	<u><u>\$440,137</u></u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$248,632	\$248,632	\$253,700	\$5,068
Intergovernmental	31,114	31,114	31,749	635
Miscellaneous	254	254	259	5
<i>Total receipts</i>	<u>280,000</u>	<u>280,000</u>	<u>285,708</u>	<u>5,708</u>
Disbursements				
Current:				
Public Works	341,539	341,539	278,407	63,132
Capital Outlay	15,000	15,000	1,530	13,470
<i>Total Disbursements</i>	<u>356,539</u>	<u>356,539</u>	<u>279,937</u>	<u>76,602</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(76,539)	(76,539)	5,771	82,310
<i>Fund Balance Beginning of Year</i>	<u>76,539</u>	<u>76,539</u>	<u>76,539</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$82,310</u></u>	<u><u>\$82,310</u></u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$255,546	\$255,546	\$273,928	\$18,382
Intergovernmental	31,485	31,485	33,748	2,263
Miscellaneous	12,969	12,969	13,902	933
<i>Total receipts</i>	<u>300,000</u>	<u>300,000</u>	<u>321,578</u>	<u>21,578</u>
Disbursements				
Current:				
Public Safety	363,452	363,452	258,197	105,255
Capital Outlay	10,000	10,000	5,042	4,958
<i>Total Disbursements</i>	<u>373,452</u>	<u>373,452</u>	<u>263,239</u>	<u>110,213</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(73,452)	(73,452)	58,339	131,791
<i>Fund Balance Beginning of Year</i>	<u>73,473</u>	<u>73,473</u>	<u>73,473</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$21</u>	<u>\$21</u>	<u>\$131,812</u>	<u>\$131,791</u>

PORTER TOWNSHIP
SCIOTO COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Emergency Medical Services
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$479,891	\$479,891	\$497,286	\$17,395
Intergovernmental	59,933	59,933	62,106	2,173
Miscellaneous	176	176	182	6
<i>Total receipts</i>	<u>540,000</u>	<u>540,000</u>	<u>559,574</u>	<u>19,574</u>
Disbursements				
Current:				
Public Safety	733,749	733,749	501,100	232,649
Capital Outlay	10,000	10,000	5,493	4,507
<i>Total Disbursements</i>	<u>743,749</u>	<u>743,749</u>	<u>506,593</u>	<u>237,156</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(203,749)	(203,749)	52,981	256,730
<i>Fund Balance Beginning of Year</i>	<u>203,749</u>	<u>203,749</u>	<u>203,749</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$256,730</u></u>	<u><u>\$256,730</u></u>

Porter Township
Scioto County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

Porter Township, Scioto 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 Fiscal Officer.

A. Primary Government

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

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

Note 2 – Summary of Significant Accounting Policies (continued)

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 funds of the Township are all 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 and Bridge Fund – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire Fund – This fund receives property tax money to purchase fire equipment and provide fire protection services to residents of the Township.

Emergency Medical Services – This fund receives property tax money to provide ambulatory services to residents of the Township.

FEMA Fund – This fund receives grants from the Federal Emergency Management Agency for the purchase of a fire truck.

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

C. Basis of Accounting

The Township's financial statements are prepared using the modified 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 modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund level for all funds. ORC Section 5705.38(C) requires the minimum level of control to be at the function level.

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

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

E. Cash and Investments

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

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

During 2006 and 2005, the Township invested in STAROhio.

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. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

Note 2 – Summary of Significant Accounting Policies (continued)

J. 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 modified cash basis of accounting.

K. 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.

M. 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. Restricted for Other Purposes is comprised of net assets restricted for grants and construction, maintenance, and repair of Township roadways. 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.

N. Fund Balance Reserves

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

Note 3 – Compliance

A. Compliance

Contrary to Ohio Revised Code Section 5705.41(D), the Township did not encumber all commitments required.

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 and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances that are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$885 for the General Fund, \$856 for the Road and Bridge Fund, \$1,179 for the Fire Fund, and \$2,251 for the Emergency Services Fund, for the year ended December 31, 2006. There were no encumbrances reported for the year ended December 31, 2005.

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;
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 (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.

Porter Township
Scioto County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 5 - Deposits and Investments (continued)

Deposits

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

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

	Carrying Value	Maturity
STAROhio	1,051,052	Average
Total Portfolio	\$1,051,052	

As of December 31, 2005, the Township had the following investments:

	Carrying Value	Maturity
STAROhio	515,753	Average
Total Portfolio	\$515,753	

STAROhio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property and tangible personal property located in the Township. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, 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.

Tangible personal property tax receipts received in 2006 represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2005 (2006), was \$16.92 per \$1,000 of assessed value. The total assessed value of real property, public utility property, and tangible personal property upon which 2005 (2006) property tax receipts were based was \$137,656,360.

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 governments 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, including loss adjustment expenses. 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.

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) as noted above.

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. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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 government.

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

Porter Township
Scioto County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 7 – Risk Management (continued)

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, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained earnings	\$20,587,360	\$18,141,062

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	(676,709)	(1,406,031)
Retained earnings	\$9,334,254	\$7,771,765

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, 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 \$62,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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>	
2004	\$28,129
2005	\$28,925
2006	\$30,904

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 Plans

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For the years ended December 31, 2005 and 2006, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 8.5 percent and 9 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent and 2006 was 13.7 percent. 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, 2006, 2005, and 2004 were \$111,209, \$109,280 and \$112,748 respectively; 100 percent has been contributed for 2006, 2005 and 2004.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for police and firefighters were \$33,253 for the year ended December 31, 2006, \$29,136 for the year ended December 31, 2005 and \$34,197 for the year ended December 31, 2004. The full amount has been contributed for 2006, 2005 and 2004.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 2005 and 2006 local government employer contribution rates were 13.55 and 13.7 percent, respectively, of covered payroll; 4.0 percent in 2005 and 4.50 percent in 2006 of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 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 costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market value. 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 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 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. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

Porter Township
Scioto County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 9 - Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

Note 10 – Contingent Liabilities

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

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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*

Porter Township
Scioto County
1535 Dogwood Ridge Road
P.O. Box 427
Wheelersburg, Ohio 45694

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 Porter Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 23, 2007, wherein we 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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.

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

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.

Porter Township
Scioto County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2006-001.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We do not believe the significant deficiency described above is a material weakness.

We also noted a certain internal control matter that we reported to the Township's management in a separate letter dated October 23, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2006-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated October 23, 2007.

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.



Mary Taylor, CPA
Auditor of State

October 23, 2007

PORTER TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005

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

FINDING NUMBER 2006-001

Noncompliance Citation / Significant Deficiency

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

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

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

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

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

In 2005 and 2006, twenty-nine percent and twenty-five percent, respectively, of the transactions tested were not certified by the fiscal officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

PORTER TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-001
(Continued)

**Noncompliance Citation / Significant Deficiency - Ohio Rev. Code Section 5705.41(D)(1)
(Continued)**

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

We recommend that no orders involving the expenditure of money be made unless the Fiscal Officer has certified that the amount required has been lawfully appropriated and is in the treasury or in the process of collection.

Client Response: The officials did not respond to this finding.

PORTER TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	ORC 5705.41(D) – not properly encumbering	No	Not corrected – see Finding 2006-001



Mary Taylor, CPA
Auditor of State

PORTER TOWNSHIP

SCIOTO 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
NOVEMBER 15, 2007**