

**ST. CLAIR TOWNSHIP  
COLUMBIANA COUNTY  
Regular Audit  
December 31, 2007 and 2006**





Mary Taylor, CPA  
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 Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. St. Clair Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 13, 2008

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**ST. CLAIR TOWNSHIP  
COLUMBIANA COUNTY**

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COLUMBIANA COUNTY**

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***Perry & Associates***  
**Certified Public Accountants, A.C.**

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**INDEPENDENT ACCOUNTANTS' REPORT**

June 20, 2008

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, 2007 and 2006, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township has prepared these financial statements using the cash accounting basis. These practices differ from accounting principles generally accepted in the United States of America (GAAP).

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, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Police Levy, and Fire Levy Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
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, 2007 and 2006 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 2007 are as follows:

Net assets of governmental activities increased \$51,487, a significant change from the prior year. The primary reasons contributing to the increase is an increase in property and other local taxes.

The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent \$1,775,345 and \$170,639 of the total cash received for governmental activities during the year.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$78,759 in 2006 in comparison to the prior year, mainly due to the increase in property and other local taxes.

The Township's general receipts are primarily property taxes and grants and entitlements. These receipts represent \$1,739,114 and \$221,396 of the total cash received for governmental activities during the year.

### **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.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
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Unaudited

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**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 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program 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 tax.

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.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
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Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,398,291	\$ 1,346,804	\$ 1,268,045
Total Assets	\$1,398,291	\$ 1,346,804	\$ 1,268,045
<b>Net Assets</b>			
Restricted for:			
Debt Service	\$ 1	\$ 1	\$ 1
Capital Outlay	66,914	72,438	73,578
Other Purposes	601,284	663,015	742,163
Unrestricted	730,092	611,350	452,303
Total Net Assets	\$ 1,398,291	\$ 1,346,804	\$ 1,268,045

As mentioned previously, net assets of governmental activities increased \$51,487 during 2007, and \$78,759 during 2006. The primary reasons contributing to the increases in cash balances is an increase in property and other local taxes.

Table 2 reflects the changes in net assets in 2007 and 2006 for governmental activities.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
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(Table 2)  
**Changes in Net Assets**

	Governmental	
	Activities	
	2007	2006
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 94,904	\$ 143,601
Operating Grants and Contributions	120,384	117,859
Capital Grants and Contributions	32,621	27,470
Total Program Receipts	<u>247,909</u>	<u>288,930</u>
General Receipts:		
Property and Other Local Taxes	1,775,345	1,739,114
Grants and Entitlements Not Restricted		
to Specific Programs	170,639	221,396
Sale of Fixed Assets	5,557	1,683
Other Taxes	61,938	60,335
Interest	72,467	64,180
Cable Franchise Fees	60,484	-
Miscellaneous	61,779	22,960
Total General Receipts	<u>2,208,209</u>	<u>2,109,668</u>
Total Receipts	<u>2,456,118</u>	<u>2,398,598</u>
Disbursements:		
General Government	231,226	226,464
Public Safety	1,249,588	1,195,842
Public Works	573,042	525,580
Health	26,047	26,887
Conservation-Recreation	161	-
Human Services	-	8,000
Capital Outlay	103,754	93,589
Principal	126,928	143,731
Interest	93,636	99,587
Other	249	159
Total Disbursements	<u>2,404,631</u>	<u>2,319,839</u>
Increase (Decrease) in Net Assets	51,487	78,759
Net Assets, January 1,	1,346,804	1,268,045
Net Assets, December 31,	<u>\$ 1,398,291</u>	<u>\$ 1,346,804</u>

St. Clair Township, Columbiana County  
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Program receipts represent only 10 percent in 2007 and 12 percent in 2006 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 90 percent in 2007 and 88 percent in 2006 of the Township's total receipts, and of this amount, 80 percent in 2007 and 82 percent in 2006 are property taxes. State and federal grants and entitlements make up 8 percent in 2007 and 10 percent 2006 of 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. 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 is the costs 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 the "Statement of Activities- Cash Basis" which is attached, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for Governmental activities are for Public Safety and Public Works, which account for 52% and 24% in 2007 and 52% and 23% in 2006 of all Governmental disbursements, respectively. General Government also represents a significant cost, about 10% in 2007 and 2006. 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 of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$ 231,226	\$ (231,226)	\$ 226,464	\$ (226,464)
Public Safety	1,249,588	(1,218,468)	1,195,842	(1,171,712)
Public Works	573,042	(357,253)	525,580	(318,028)
Health	26,047	(26,047)	26,887	(26,887)
Human Services	-	-	8,000	(8,000)
Conservation-Recreation	161	(161)	-	-
Capital Outlay	103,754	(103,754)	93,589	(93,589)
Principal Retirement	126,928	(126,928)	143,731	(143,731)
Interest and Fiscal Charges	93,636	(93,636)	99,587	(99,587)
Other	249	751	159	57,089
<b>Total Expenses</b>	<b>\$ 2,404,631</b>	<b>\$(2,156,722)</b>	<b>\$ 2,319,839</b>	<b>\$(2,030,909)</b>

The dependence upon property tax receipts is apparent as over 90 percent in 2007 and 88 percent in 2006 of governmental activities are supported through these general receipts.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

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**The Township's Funds**

During 2007, total governmental funds had receipts of \$2,456,118 and disbursements of \$2,404,631. The greatest change within Governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$118,742 as the result of increased property tax receipts, intergovernmental receipts, and earnings on investments.

During 2006, total governmental funds had receipts of \$2,398,598 and disbursements of \$2,319,839. The greatest change within Governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$159,047. The increase was due to increased property tax receipts, increased earnings on investments, and a transfer in from the FEMA Grant fund.

General Fund receipts were greater than disbursements by \$118,742 in 2007 and \$159,047 in 2006, indicating that the efforts to contain costs and limit expenses were successful. It was the recommendation of the administration that a reduction in disbursements was preferable to requesting additional funds from the taxpayers. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property taxes remains stagnant.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the Police and Fire District Funds.

During 2007 and 2006, the Township amended its budget to reflect changing circumstances. Several amended certificates were requested during the year to cover increases in budget amounts. The difference between final budgeted receipts and actual receipts was not significant.

For the General Fund, final disbursements were budgeted at \$614,272 and \$418,819 respectively, for 2007 and 2006 while actual disbursements were \$352,264 and \$332,093 respectively. At year end, the Township spent approximately 57% of budgeted amounts in 2007 and 79% in 2006.

**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, 2007, The Township's outstanding debt included \$728,545 on a mortgage with 1<sup>st</sup> National Bank to pay for the construction of the new administration building, which was constructed in 2002; \$48,986 of total debt relates to a mortgage with 1<sup>st</sup> National Bank to pay for the purchase of a 2007 Dump Truck; \$250,000 and \$1,142,830 the balances on a mortgage with State Infrastructure Bank (ODOT) to construct McGuffey Drive. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
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Unaudited

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**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2008; therefore, the finance committee and the administration implemented a strategy to delay the deficit. Even though the 2 mill Police Levy passed in May 2007 the money will not be collected until 2008. The Police Department restricted its staff by promoting a full-time patrolman to sergeant, a part-time patrolman to full-time and increased the hours of the administrative assistant, rather than hiring addition staff. However, with the terms of conditions of the current bargaining unit, which expires July 1, 2009, the increased costs of fuel, supplies, and fringe benefits, the Police will need to be mindful of their expenditures and reduce spending.

**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, 2007*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,398,291
<i>Total Assets</i>	1,398,291
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	66,914
Debt Service	1
Other Purposes	601,284
Unrestricted	730,092
<i>Total Net Assets</i>	\$ 1,398,291

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, 2007

	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	\$ 231,226	\$ -	\$ -	\$ -	\$ (231,226)
Public Safety	1,249,588	31,120	-	-	(1,218,468)
Public Works	573,042	63,784	119,384	32,621	(357,253)
Health	26,047	-	-	-	(26,047)
Conservation-Recreation	161	-	-	-	(161)
Other	249	-	1,000	-	751
Capital Outlay	103,754	-	-	-	(103,754)
Debt Service:					
Principal	126,928	-	-	-	(126,928)
Interest	93,636	-	-	-	(93,636)
<i>Total Governmental Activities</i>	<u>\$ 2,404,631</u>	<u>\$ 94,904</u>	<u>\$ 120,384</u>	<u>\$ 32,621</u>	<u>\$ (2,156,722)</u>
<b>General Receipts</b>					
Property Taxes					1,675,553
Other Taxes					61,938
Grants and Entitlements not Restricted to Specific Programs					170,639
Sale of Fixed Assets					5,557
Interest					72,467
Cable Franchise Fees					60,484
Miscellaneous					161,571
<i>Total General Receipts</i>					<u>2,208,209</u>
Change in Net Assets					<u>51,487</u>
<i>Net Assets Beginning of Year</i>					<u>1,346,804</u>
<i>Net Assets End of Year</i>					<u>\$ 1,398,291</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, 2007*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 730,092	\$ 299,593	\$ 141,259	\$ 31,501	\$ 195,846	\$ 1,398,291
<i>Total Assets</i>	<u>730,092</u>	<u>299,593</u>	<u>141,259</u>	<u>31,501</u>	<u>195,846</u>	<u>1,398,291</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	3,617	13,030	6,497	-	3,238	26,382
Unreserved:						
General Fund	726,475	-	-	-	-	726,475
Special Revenue Funds	-	286,563	134,762	31,501	125,693	578,519
Debt Service Fund	-	-	-	-	1	1
Capital Projects Funds	-	-	-	-	66,914	66,914
<i>Total Fund Balances</i>	<u>\$ 730,092</u>	<u>\$ 299,593</u>	<u>\$ 141,259</u>	<u>\$ 31,501</u>	<u>\$ 195,846</u>	<u>\$ 1,398,291</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, 2007*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 137,978	\$ 303,548	\$ 787,697	\$ 274,496	\$ 233,772	\$ 1,737,491
Charges for Services	-	-	605	-	-	605
Licenses, Permits and Fees	60,484	-	-	-	836	61,320
Fines and Forfeitures	22,432	-	-	-	8,083	30,515
Intergovernmental	182,368	32,382	78,940	26,162	166,532	486,384
Interest	59,449	-	-	-	13,018	72,467
Other	5,050	-	4,547	-	3,321	12,918
<i>Total Receipts</i>	<u>467,761</u>	<u>335,930</u>	<u>871,789</u>	<u>300,658</u>	<u>425,562</u>	<u>2,401,700</u>
<b>Disbursements</b>						
Current:						
General Government	220,204	-	-	-	11,022	231,226
Public Safety	240	-	959,657	289,158	533	1,249,588
Public Works	57,149	324,894	-	-	190,999	573,042
Health	26,047	-	-	-	-	26,047
Human Services	-	-	-	-	7,992	7,992
Conservation-Recreation	161	-	-	-	-	161
Capital Outlay	3,515	61,958	30,289	-	-	95,762
Debt Service:						
Principal Retirement	-	-	-	-	126,928	126,928
Interest and Fiscal Charges	-	-	-	-	93,636	93,636
<i>Total Disbursements</i>	<u>307,316</u>	<u>386,852</u>	<u>989,946</u>	<u>289,158</u>	<u>431,110</u>	<u>2,404,382</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	160,445	(50,922)	(118,157)	11,500	(5,548)	(2,682)
<b>Other Financing Sources (Uses)</b>						
Sale of Fixed Assets	3,245	-	2,312	-	-	5,557
Transfers In	-	-	-	-	44,699	44,699
Transfers Out	(44,699)	-	-	-	-	(44,699)
Advances In	27,944	-	-	-	27,944	55,888
Advances Out	(27,944)	-	-	-	(27,944)	(55,888)
Other Financing Sources	-	48,861	-	-	-	48,861
Other Financing Uses	(249)	-	-	-	-	(249)
<i>Total Other Financing Sources (Uses)</i>	<u>(41,703)</u>	<u>48,861</u>	<u>2,312</u>	<u>-</u>	<u>44,699</u>	<u>54,169</u>
<i>Net Change in Fund Balances</i>	<u>118,742</u>	<u>(2,061)</u>	<u>(115,845)</u>	<u>11,500</u>	<u>39,151</u>	<u>51,487</u>
<i>Fund Balances Beginning of Year</i>	<u>611,350</u>	<u>301,654</u>	<u>257,104</u>	<u>20,001</u>	<u>156,695</u>	<u>1,346,804</u>
<i>Fund Balances End of Year</i>	<u>\$ 730,092</u>	<u>\$ 299,593</u>	<u>\$ 141,259</u>	<u>\$ 31,501</u>	<u>\$ 195,846</u>	<u>\$ 1,398,291</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, 2007*

	<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	\$ 127,375	\$ 137,978	\$ 137,978	\$ -
Licenses, Permits and Fees	52,300	60,484	60,484	-
Fines and Forfeitures	17,000	22,432	22,432	-
Intergovernmental	168,406	182,368	182,368	-
Interest	24,000	59,449	59,449	-
Other	-	5,048	5,050	2
<i>Total receipts</i>	<u>389,081</u>	<u>467,759</u>	<u>467,761</u>	<u>2</u>
<b>Disbursements</b>				
Current:				
General Government	432,514	404,303	220,204	184,099
Public Safety	500	500	240	260
Public Works	61,657	64,307	57,149	7,158
Health	28,000	28,000	26,047	1,953
Conservation-Recreation	2,000	2,000	161	1,839
Capital Outlay	9,500	34,913	3,515	31,398
<i>Total Disbursements</i>	<u>534,171</u>	<u>534,023</u>	<u>307,316</u>	<u>226,707</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(145,090)</u>	<u>(66,264)</u>	<u>160,445</u>	<u>226,709</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	3,245	3,245	-
Transfers Out	(80,000)	(80,000)	(44,699)	35,301
Advances In	-	27,944	27,944	-
Advances Out	-	(30,000)	(27,944)	2,056
Other Financing Uses	-	(249)	(249)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(80,000)</u>	<u>(79,060)</u>	<u>(41,703)</u>	<u>37,357</u>
<i>Net Change in Fund Balance</i>	<u>(225,090)</u>	<u>(145,324)</u>	<u>118,742</u>	<u>264,066</u>
<i>Fund Balance Beginning of Year</i>	<u>610,732</u>	<u>610,732</u>	<u>610,732</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>618</u>	<u>618</u>	<u>618</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 386,260</u>	<u>\$ 466,026</u>	<u>\$ 730,092</u>	<u>\$ 264,066</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, 2007*

	<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	\$ 282,126	\$ 303,548	\$ 303,548	\$ -
Intergovernmental	31,250	32,382	32,382	-
<i>Total receipts</i>	<u>313,376</u>	<u>335,930</u>	<u>335,930</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	502,543	484,198	324,894	159,304
Capital Outlay	43,614	61,958	61,958	-
Debt Service:				
Principal Retirement	18,000	18,000	-	18,000
Interest and Fiscal Charges	1,000	1,000	-	1,000
<i>Total Disbursements</i>	<u>565,157</u>	<u>565,156</u>	<u>386,852</u>	<u>178,304</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(251,781)</u>	<u>(229,226)</u>	<u>(50,922)</u>	<u>178,304</u>
<b>Other Financing Sources (Uses)</b>				
Other Financing Sources	-	48,861	48,861	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>48,861</u>	<u>48,861</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(251,781)	(180,365)	(2,061)	178,304
<i>Fund Balance Beginning of Year</i>	<u>256,339</u>	<u>256,339</u>	<u>256,339</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>45,315</u>	<u>45,315</u>	<u>45,315</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 49,873</u>	<u>\$ 121,289</u>	<u>\$ 299,593</u>	<u>\$ 178,304</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, 2007*

	<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	\$ 715,427	\$ 787,697	\$ 787,697	\$ -
Charges for Services	850	605	605	-
Intergovernmental	79,000	78,940	78,940	-
Other	2,683	4,547	4,547	-
<i>Total receipts</i>	<u>797,960</u>	<u>871,789</u>	<u>871,789</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,026,191	1,025,981	959,657	66,324
Capital Outlay	32,235	36,074	30,289	5,785
<i>Total Disbursements</i>	<u>1,058,426</u>	<u>1,062,055</u>	<u>989,946</u>	<u>72,109</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(260,466)</u>	<u>(190,266)</u>	<u>(118,157)</u>	<u>72,109</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	2,312	2,312	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>2,312</u>	<u>2,312</u>	<u>-</u>
<i>Fund Balance Beginning of Year</i>	<u>251,536</u>	<u>251,536</u>	<u>251,536</u>	<u>-</u>
Prior Year Encumbrances Appropriated	5,568	5,568	5,568	-
<i>Fund Balance End of Year</i>	<u>\$ (3,362)</u>	<u>\$ 69,150</u>	<u>\$ 141,259</u>	<u>\$ 72,109</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, 2007*

	<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	\$ 249,973	\$ 274,497	\$ 274,496	\$ (1)
Intergovernmental	29,329	26,162	26,162	-
<i>Total receipts</i>	<u>279,302</u>	<u>300,659</u>	<u>300,658</u>	<u>(1)</u>
<b>Disbursements</b>				
Current:				
Public Safety	299,303	299,303	289,158	10,145
<i>Total Disbursements</i>	<u>299,303</u>	<u>299,303</u>	<u>289,158</u>	<u>10,145</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,001)</u>	<u>1,356</u>	<u>11,500</u>	<u>10,144</u>
<i>Fund Balance Beginning of Year</i>	<u>20,001</u>	<u>20,001</u>	<u>20,001</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 21,357</u>	<u>\$ 31,501</u>	<u>\$ 10,144</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, 2006*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,346,804
<i>Total Assets</i>	1,346,804
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	72,438
Debt Service	1
Other Purposes	663,015
Unrestricted	611,350
<i>Total Net Assets</i>	\$ 1,346,804

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, 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
<b>Governmental Activities</b>					
General Government	\$ 226,464	\$ -	\$ -	\$ -	\$ (226,464)
Public Safety	1,195,842	24,130	-	-	(1,171,712)
Public Works	525,580	63,223	116,859	27,470	(318,028)
Health	26,887	-	-	-	(26,887)
Human Services	8,000	-	-	-	(8,000)
Other	159	56,248	1,000	-	57,089
Capital Outlay	93,589	-	-	-	(93,589)
Debt Service:					
Principal	143,731	-	-	-	(143,731)
Interest	99,587	-	-	-	(99,587)
<i>Total Governmental Activities</i>	<u>\$ 2,319,839</u>	<u>\$ 143,601</u>	<u>\$ 117,859</u>	<u>\$ 27,470</u>	<u>\$ (2,030,909)</u>
<b>General Receipts</b>					
Property Taxes					1,637,974
Other Taxes					60,335
Grants and Entitlements not Restricted to Specific Programs					221,396
Sale of Fixed Assets					1,683
Interest					64,179
Miscellaneous					124,101
<i>Total General Receipts</i>					<u>2,109,668</u>
Change in Net Assets					<u>78,759</u>
<i>Net Assets Beginning of Year</i>					<u>1,268,045</u>
<i>Net Assets End of Year</i>					<u>\$ 1,346,804</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, 2006*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 611,350	\$ 301,654	\$ 257,104	\$ 20,001	\$ 156,695	\$ 1,346,804
<i>Total Assets</i>	<u>611,350</u>	<u>301,654</u>	<u>257,104</u>	<u>20,001</u>	<u>156,695</u>	<u>1,346,804</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	618	45,315	5,568	-	-	51,501
Unreserved:						
General Fund	610,732	-	-	-	-	610,732
Special Revenue Funds	-	256,339	251,536	20,001	84,257	612,133
Capital Projects Funds	-	-	-	-	72,438	72,438
<i>Total Fund Balances</i>	<u>\$ 611,350</u>	<u>\$ 301,654</u>	<u>\$ 257,104</u>	<u>\$ 20,001</u>	<u>\$ 156,695</u>	<u>\$ 1,346,804</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, 2006*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 134,233	\$ 295,311	\$ 751,149	\$ 264,179	\$ 253,437	\$ 1,698,309
Charges for Services	-	-	682	-	-	682
Licenses, Permits and Fees	56,248	-	-	-	879	57,127
Fines and Forfeitures	21,999	-	-	-	1,449	23,448
Intergovernmental	170,410	32,394	83,273	26,372	215,294	527,743
Interest	48,128	-	-	-	16,051	64,179
Other	4,446	20	8,530	-	12,431	25,427
<i>Total Receipts</i>	<u>435,464</u>	<u>327,725</u>	<u>843,634</u>	<u>290,551</u>	<u>499,541</u>	<u>2,396,915</u>
<b>Disbursements</b>						
Current:						
General Government	208,997	-	-	-	17,467	226,464
Public Safety	480	-	904,451	290,211	700	1,195,842
Public Works	54,460	242,678	-	-	228,442	525,580
Health	26,887	-	-	-	-	26,887
Human Services	-	-	-	-	8,000	8,000
Capital Outlay	2,996	31,817	50,133	-	8,643	93,589
Debt Service:						
Principal Retirement	-	21,951	-	-	121,780	143,731
Interest and Fiscal Charges	-	695	-	-	98,892	99,587
<i>Total Disbursements</i>	<u>293,820</u>	<u>297,141</u>	<u>954,584</u>	<u>290,211</u>	<u>483,924</u>	<u>2,319,680</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	141,644	30,584	(110,950)	340	15,617	77,235
<b>Other Financing Sources (Uses)</b>						
Sale of Fixed Assets	-	-	1,683	-	-	1,683
Transfers In	55,676	-	-	-	38,114	93,790
Transfers Out	(38,114)	-	-	-	(55,676)	(93,790)
Advances In	30,625	-	-	-	30,625	61,250
Advances Out	(30,625)	-	-	-	(30,625)	(61,250)
Other Financing Uses	(159)	-	-	-	-	(159)
<i>Total Other Financing Sources (Uses)</i>	17,403	-	1,683	-	(17,562)	1,524
<i>Net Change in Fund Balances</i>	<u>159,047</u>	<u>30,584</u>	<u>(109,267)</u>	<u>340</u>	<u>(1,945)</u>	<u>78,759</u>
<i>Fund Balances Beginning of Year</i>	<u>452,303</u>	<u>271,070</u>	<u>366,371</u>	<u>19,661</u>	<u>158,640</u>	<u>1,268,045</u>
<i>Fund Balances End of Year</i>	<u>\$ 611,350</u>	<u>\$ 301,654</u>	<u>\$ 257,104</u>	<u>\$ 20,001</u>	<u>\$ 156,695</u>	<u>\$ 1,346,804</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, 2006*

	<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	\$ 125,634	\$ 134,233	\$ 134,233	\$ -
Licenses, Permits and Fees	52,300	56,248	56,248	-
Fines and Forfeitures	17,000	21,999	21,999	-
Intergovernmental	167,958	170,410	170,410	-
Interest	5,000	48,128	48,128	-
Other	-	4,415	4,446	31
<i>Total receipts</i>	<u>367,892</u>	<u>435,433</u>	<u>435,464</u>	<u>31</u>
<b>Disbursements</b>				
Current:				
General Government	222,853	222,694	208,997	13,697
Public Safety	500	500	480	20
Public Works	73,350	73,350	54,460	18,890
Health	28,000	28,000	26,887	1,113
Conservation-Recreation	2,000	2,000	-	2,000
Capital Outlay	10,000	10,000	2,996	7,004
<i>Total Disbursements</i>	<u>336,703</u>	<u>336,544</u>	<u>293,820</u>	<u>42,724</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,189</u>	<u>98,889</u>	<u>141,644</u>	<u>42,755</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	55,676	55,676	-
Transfers Out	(82,116)	(82,116)	(38,114)	44,002
Advances In	-	-	30,625	30,625
Advances Out	(28,500)	(28,500)	(30,625)	(2,125)
Other Financing Uses	-	(159)	(159)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(110,616)</u>	<u>(55,099)</u>	<u>17,403</u>	<u>72,502</u>
<i>Net Change in Fund Balance</i>	(79,427)	43,790	159,047	115,257
<i>Fund Balance Beginning of Year</i>	<u>451,478</u>	<u>451,478</u>	<u>451,478</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>825</u>	<u>825</u>	<u>825</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 372,876</u>	<u>\$ 496,093</u>	<u>\$ 611,350</u>	<u>\$ 115,257</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, 2006*

	<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	\$ 277,749	\$ 295,311	\$ 295,311	\$ -
Intergovernmental	31,796	32,393	32,394	1
Other	-	20	20	-
<i>Total receipts</i>	<u>309,545</u>	<u>327,724</u>	<u>327,725</u>	<u>1</u>
<b>Disbursements</b>				
Current:				
Public Works	485,065	406,612	242,678	163,934
Capital Outlay	-	99,114	31,817	67,297
Debt Service:				
Principal Retirement	21,951	21,951	21,951	-
Interest and Fiscal Charges	705	705	695	10
<i>Total Disbursements</i>	<u>507,721</u>	<u>528,382</u>	<u>297,141</u>	<u>231,241</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(198,176)</u>	<u>(200,658)</u>	<u>30,584</u>	<u>231,242</u>
<i>Fund Balance Beginning of Year</i>	<u>268,964</u>	<u>268,964</u>	<u>268,964</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>2,106</u>	<u>2,106</u>	<u>2,106</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 72,894</u>	<u>\$ 70,412</u>	<u>\$ 301,654</u>	<u>\$ 231,242</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, 2006*

	<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	\$ 700,959	\$ 751,149	\$ 751,149	\$ -
Charges for Services	25	682	682	-
Intergovernmental	80,652	83,273	83,273	-
Other	-	8,488	8,530	42
<i>Total receipts</i>	<u>781,636</u>	<u>843,592</u>	<u>843,634</u>	<u>42</u>
<b>Disbursements</b>				
Current:				
Public Safety	914,489	910,044	904,451	5,593
Capital Outlay	40,040	50,133	50,133	-
<i>Total Disbursements</i>	<u>954,529</u>	<u>960,177</u>	<u>954,584</u>	<u>5,593</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(172,893)</u>	<u>(116,585)</u>	<u>(110,950)</u>	<u>5,635</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	1,683	1,683	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>1,683</u>	<u>1,683</u>	<u>-</u>
<i>Fund Balance Beginning of Year</i>	<u>359,348</u>	<u>359,348</u>	<u>359,348</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>7,023</u>	<u>7,023</u>	<u>7,023</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 193,478</u>	<u>\$ 251,469</u>	<u>\$ 257,104</u>	<u>\$ 5,635</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, 2006*

	<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	\$ 247,658	\$ 264,179	\$ 264,179	\$ -
Intergovernmental	26,329	26,372	26,372	-
<i>Total receipts</i>	<u>273,987</u>	<u>290,551</u>	<u>290,551</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	293,648	293,648	290,211	3,437
<i>Total Disbursements</i>	<u>293,648</u>	<u>293,648</u>	<u>290,211</u>	<u>3,437</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(19,661)</u>	<u>(3,097)</u>	<u>340</u>	<u>3,437</u>
<i>Fund Balance Beginning of Year</i>	<u>19,661</u>	<u>19,661</u>	<u>19,661</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 16,564</u>	<u>\$ 20,001</u>	<u>\$ 3,437</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.

**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 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.

**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 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.



**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 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.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

All 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.

**Note 2 – Summary of Significant Accounting Policies** (continued)

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.

**E. 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 2007, 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, 2007.

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 2007 was \$72,467 and \$64,179 for 2006.

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**Note 2 – Summary of Significant Accounting Policies** (continued)

**H. Interfund Receivables/Payables**

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

**I. 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.

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

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

**K. 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.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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.

**M. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. 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 – 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 \$618 for the General Fund and \$50,883 for major special revenue funds for 2007. The encumbrances outstanding at year end (budgetary basis) amounted to \$825 for the General Fund and \$9,129 for major special revenue funds for 2006.

**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 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.

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 4 – Deposits and Investments** (continued)

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, 2007 and 2006 the bank balances were \$908,753 and \$974,157, respectively, of the Township's bank balances \$808,753 and \$874,157 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 evidenced by securities in physical or book-entry form.

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

	2007	2006	
	<u>Carrying Value</u>	<u>Carrying Value</u>	<u>Maturity</u>
JP Morgan Chase Bank			
High Yield Savings - Public Funds	\$ 838,614	\$ 731,824	1 Day
STAR Ohio	<u>513,949</u>	<u>488,712</u>	1 Day
	\$ 1,352,563	\$ 1,220,536	

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 2007 and 2006 represent the collection of 2006 and 2005 taxes. Real property taxes received in 2007 and 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2006, 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.

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 5 – Property Taxes** (continued)

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 and 2006 became a lien on December 31, 2006 and 2005, were levied after October 1, 2006 and 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the true value as of December 31, 2006 and 2005. Tangible personal property taxes received in 2006 represents the collection of 2005 taxes. 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, 2007 and 2006 were \$18.20 and \$16.20, respectively, per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2007 and 2006 property tax receipts were based are as follows:

	2007	2006
Real Property		
Residential/Agricultural	\$ 96,157,580	\$ 94,170,820
Other Real	32,414,830	34,361,660
PUCO Personal	6,026,350	5,743,920
Tangible Personal Property	8,208,340	10,191,641
Residential/Ag New Construction	1,363,870	
Other New Construction	249,180	
Total Assessed Value	\$ 144,420,150	\$ 144,468,041

**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. 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.

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 6 – Risk Management** (continued)

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

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 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>-11,443,952</u>	<u>-12,344,576</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>-676,709</u>	<u>-1,406,031</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

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 \$7,000. 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.

**Note 6 – Risk Management** (continued)

Contributions to OTARMA

2004	\$32,932
2005	\$31,470
2006	\$31,230

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 7 – Defined Benefit Pension Plan**

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, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. In 2006, it was 9.0 percent for members classified as government employees and 10.1 percent for law enforcement. The Township's contribution rate for pension benefits for members classified as government employees for 2007 was 13.85 percent, and 2006 was 13.70 percent. The Township contributed an amount equaling 17.17 percent for 2007 and 16.93 percent for 2006 of law enforcement employees' gross salaries who participated. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$199,837, \$178,877 and \$172,402, respectively. The full amount has been contributed for 2007, 2006 and 2005. Contributions to the member-directed plan for 2007 were \$123,192 made by the Township and \$76,645 made by the plan members.



St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent and 2006 was 13.7 percent of covered payroll.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 374,979, as of December 31, 2007. Actual employer contributions for 2007 that were used to fund post-employment benefits were 13.85 % of covered payroll. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (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. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 9 – Debt**

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

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Principal Outstanding 12/31/05</u>	<u>Add</u>	<u>Deductions</u>	<u>Principal Outstanding 12/31/06</u>	<u>Add</u>	<u>Deductions</u>	<u>Principal Outstanding 12/31/07</u>
2007 Truck Purchase	5.13%	\$ -	\$ -	\$ -	\$ -	\$48,986	\$ -	\$48,986
Truck Purchase	3.15%	21,951	-	21,951	-	-	-	-
2002 Infrastructure Loan	4.00%	250,000	-	-	250,000	-	-	250,000
2002 Infrastructure Loan	4.00%	1,299,290	-	76,585	1,222,705	-	79,875	1,142,830
2002 Administrative Bld	4.25%	<u>820,793</u>	<u>-</u>	<u>45,195</u>	<u>775,598</u>	<u>-</u>	<u>47,053</u>	<u>728,545</u>
		\$2,392,034	\$ -	\$143,731	\$2,248,303	\$48,986	\$126,928	\$2,170,361

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 9 – Debt** (continued)

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

Year	General Obligation Notes	
	Principal	Interest
2008	\$ 1,457,346	\$ 90,996
2009	67,528	29,634
2010	70,601	26,562
2011	55,752	23,353
2012	519,134	1,874
Totals	\$ 2,170,361	\$ 172,419

There is a balloon payment on the mortgage for the construction of McGuffey Drive in 2008. 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. The second note for a truck was issued in 2004 for \$65,853. The Township made annual payments of \$21,951. The infrastructure loans were issued in 2002 for \$1,520,000 and \$250,000. The Township makes payments twice a year for \$65,000 and \$5,283, respectively. 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.

**Note 10 – Interfund Transfers**

During 2007, the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$44,699
Total Transfers from the General Fund	\$44,699

During 2006, the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$38,114
Total Transfers from the General Fund	\$38,114
Transfers from Other Governmental Funds to:	
General Fund	\$55,676
Total Transfers from Other Governmental Funds	\$55,676

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. A transfer from the FEMA Fund to the fund that made the original payments, which was the General Fund was made in 2006. Transfers from Other Governmental Funds to General Fund left the FEMA fund with a zero balance since the project was completed.

Advances were made to pay the ODOT Loan. Once the TIF money was received, advances were paid back.

**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).

***Perry & Associates***  
Certified Public Accountants, A.C.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

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428 Second Street  
Marietta, OH 45750  
(740) 373-0056

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

June 20, 2008

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, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 20, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

### **Internal Control Over Financial Reporting (Continued)**

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

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of management and the Board of Trustees and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.



**Mary Taylor, CPA**  
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  
AUGUST 26, 2008**