

**ST. CLAIR TOWNSHIP  
COLUMBIANA COUNTY  
Regular Audit  
December 31, 2009 and 2008**

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





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
St. Clair Township  
15442 Pugh Road  
Suite 1  
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, 2008 through December 31, 2009. 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

June 28, 2010

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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 18, 2010

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, 2009 and 2008, 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 discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Clair Township, Columbiana County, Ohio, as of December 31, 2009 and 2008, 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 18, 2010, 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, 2009 and December 31, 2008  
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, 2009 and 2008 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 2009 are as follows:

Net assets of Governmental activities increased \$119,979.

The Township's general receipts in the major funds are primarily property taxes (inside and outside millage) and grants and entitlements. These receipts represent respectively \$1,943,765 and \$435,922 of the total cash received for Governmental activities during the year. Property taxes and grants and entitlements for 2009 changed significantly compared to 2008.

Key highlights for 2008 are as follows:

Net assets of Governmental activities increased \$166,040.

The Township's general receipts in the major funds are primarily property taxes (inside and outside millage) and grants and entitlements. These receipts represent respectively \$1,841,482 and \$381,248 of the total cash received for Governmental activities during the year. Property taxes and grants and entitlements for 2008 changed significantly compared to 2007.

### **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  
For the Years Ended December 31, 2009 and December 31, 2008  
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 2008 and 2009, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes and grants and entitlements.

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

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

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental.

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road & Bridge Fund, Police Levy Fund, and Fire Levy Fund.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and December 31, 2008  
Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 and 2007 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2009	2008	2007
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,684,310	\$ 1,564,331	\$ 1,398,291
Total Assets	\$ 1,684,310	\$ 1,564,331	\$ 1,398,291
<b>Net Assets</b>			
Restricted for:			
Debt Service	\$ 1	\$ 1	\$ 1
Capital Outlay	115,684	132,646	66,914
Other Purposes	715,021	665,411	601,284
Unrestricted	853,604	766,273	730,092
Total Net Assets	\$ 1,684,310	\$ 1,564,331	\$ 1,398,291

As mentioned previously, net assets of governmental activities increased \$119,979 during 2009, and increased \$166,040 during 2008. The primary reason contributing to the increases in cash balances is an additional 2 mill Police levy passed in 2007 and began collection in 2008

Table 2 reflects the changes in net assets in 2009 and 2008 for governmental activities.

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and December 31, 2008  
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(Table 2)  
**Changes in Net Assets**

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 100,745	\$ 107,194	\$ 94,904
Operating Grants and Contributions	116,343	143,245	120,384
Capital Grants and Contributions	17,220	-	32,621
Total Program Receipts	<u>234,308</u>	<u>250,439</u>	<u>247,909</u>
General Receipts:			
Property and Other Local Taxes	1,995,366	1,905,102	1,737,491
Grants and Entitlements Not Restricted to Specific Programs	435,922	381,248	170,639
Sale of Fixed Assets	-	2,000	5,557
Bonds Issued	-	1,311,936	
Interest	4,499	38,072	72,467
Cable Franchise Fees	59,774	61,201	60,484
Miscellaneous	15,569	45,652	161,571
Total General Receipts	<u>2,511,130</u>	<u>3,745,211</u>	<u>2,208,209</u>
Total Receipts	<u>2,745,438</u>	<u>3,995,650</u>	<u>2,456,118</u>
Disbursements:			
General Government	238,552	274,036	231,226
Public Safety	1,323,044	1,327,458	1,249,588
Public Works	541,198	598,167	573,042
Health	25,439	24,197	26,047
Conservation-Recreation	6,502	4,062	161
Human Services	-	18,308	-
Capital Outlay	194,788	98,100	103,754
Principal	198,265	1,416,833	126,928
Interest	97,671	68,449	93,636
Total Disbursements	<u>2,625,459</u>	<u>3,829,610</u>	<u>2,404,631</u>
Increase (Decrease) in Net Assets	119,979	166,040	51,487
Net Assets, January 1,	<u>1,564,331</u>	<u>1,398,291</u>	<u>1,346,804</u>
Net Assets, December 31,	<u>\$ 1,684,310</u>	<u>\$ 1,564,331</u>	<u>\$ 1,398,291</u>

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and December 31, 2008  
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Program receipts represent only 9 percent in 2009 and 6 percent in 2008 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 91 percent in 2009 and 94 percent in 2008 of the Township's total receipts, and of this amount, 77 percent in 2009 and 49 percent in 2008 are property taxes. State and federal grants and entitlements make up 11 percent in 2009 and 10 percent 2008 of the balance of the Township's general receipts. In 2008, bonds issued make up 35 percent 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 50% and 21% in 2009 and 35% and 16% in 2008 of all Governmental disbursements, respectively. Principal retirement also represents a significant cost in 2008 of 37%. 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 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 238,552	\$ (238,552)	\$ 274,036	\$ (274,036)
Public Safety	1,323,044	(1,286,255)	1,327,458	(1,284,530)
Public Works	541,198	(344,679)	598,167	(414,327)
Health	25,439	(25,439)	24,197	(24,197)
Human Services	-	-	18,308	(18,308)
Conservation-Recreation	6,502	(6,502)	4,062	(4,062)
Capital Outlay	194,788	(194,788)	98,100	(98,100)
Principal Retirement	198,265	(198,265)	1,416,833	(1,416,833)
Interest and Fiscal Charges	97,671	(97,671)	68,449	(68,449)
Other	-	1,000	-	23,671
<b>Total Expenses</b>	<b>\$ 2,625,459</b>	<b>\$(2,391,151)</b>	<b>\$ 3,829,610</b>	<b>\$(3,579,171)</b>

The dependence upon property tax receipts is apparent as over 91 percent in 2009 and 93 percent in 2008 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, 2009 and December 31, 2008  
Unaudited

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**The Township's Funds**

During 2009, total Governmental funds had receipts of \$2,745,438 and disbursements of \$2,625,459. The net change in major fund balances depicts total receipts exceeding total disbursements.

During 2009, General Fund receipts were greater than disbursements by \$87,331 indicating that the efforts to contain costs and limit expenses were successful. Road and Bridge Fund receipts were less than disbursements by \$112,481 and Police Levy Fund receipts were greater than disbursements by \$105,039 as reported on the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances.

During 2008, total Governmental funds had receipts of \$3,995,650 and disbursements of \$3,829,610. The net change in major fund balances depicts total receipts exceeding total disbursements.

During 2008, General Fund receipts were greater than disbursements by \$70,461 indicating that the efforts to contain costs and limit expenses were successful. Road and Bridge Fund receipts were greater than disbursements by \$32,760 and Police Levy Fund receipts were greater than disbursements by \$50,087 as reported on the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances.

**General Fund Budgeting Highlights**

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

During 2009 and 2008, 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 \$692,738 and \$687,780 respectively, for 2009 and 2008 while actual disbursements were \$400,577 and \$435,039 respectively. At year end, the Township spent approximately 58% of budgeted amounts in 2009 and 63% in 2008.

**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, 2009, the Township's outstanding debt included \$628,799 on a mortgage with 1<sup>st</sup> National Community Bank to pay for the construction of the new administration building, which was constructed in 2002; \$17,165 the balance on a mortgage with 1<sup>st</sup> National Community Bank to pay for the purchase of a 2007 Dump Truck; and \$1,180,742 to pay a tax increment revenue bond for the construction of McGuffey Drive.

**Current Issues**

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

St. Clair Township, Columbiana County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and December 31, 2008  
Unaudited

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**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, 2009*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,684,310
<i>Total Assets</i>	1,684,310
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	115,684
Debt Service	1
Other Purposes	715,021
Unrestricted	853,604
<i>Total Net Assets</i>	\$ 1,684,310

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, 2009

	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	\$ 238,552	\$ -	\$ -	\$ -	\$ (238,552)
Public Safety	1,323,044	36,789	-	-	(1,286,255)
Public Works	541,198	63,956	115,343	17,220	(344,679)
Health	25,439	-	-	-	(25,439)
Conservation-Recreation	6,502	-	-	-	(6,502)
Other	-	-	1,000	-	1,000
Capital Outlay	194,788	-	-	-	(194,788)
Debt Service:					
Principal	198,265	-	-	-	(198,265)
Interest	97,671	-	-	-	(97,671)
<i>Total Governmental Activities</i>	<u>\$ 2,625,459</u>	<u>\$ 100,745</u>	<u>\$ 116,343</u>	<u>\$ 17,220</u>	<u>\$ (2,391,151)</u>
<b>General Receipts</b>					
Property Taxes					1,943,765
Other Taxes					51,601
Grants and Entitlements not Restricted to Specific Programs					435,922
Cable Franchise Fees					59,774
Interest					4,499
Miscellaneous					15,569
<i>Total General Receipts</i>					<u>2,511,130</u>
Change in Net Assets					<u>119,979</u>
<i>Net Assets Beginning of Year</i>					<u>1,564,331</u>
<i>Net Assets End of Year</i>					<u>\$ 1,684,310</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, 2009*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 853,604	\$ 219,872	\$ 296,385	\$ 24,910	\$ 289,539	\$ 1,684,310
<i>Total Assets</i>	<u>853,604</u>	<u>219,872</u>	<u>296,385</u>	<u>24,910</u>	<u>289,539</u>	<u>1,684,310</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	2,576	1,578	28,976	-	-	33,130
Unreserved:						
General Fund	851,028	-	-	-	-	851,028
Special Revenue Funds	-	218,294	267,409	24,910	173,854	684,467
Debt Service Fund	-	-	-	-	1	1
Capital Projects Funds	-	-	-	-	115,684	115,684
<i>Total Fund Balances</i>	<u>\$ 853,604</u>	<u>\$ 219,872</u>	<u>\$ 296,385</u>	<u>\$ 24,910</u>	<u>\$ 289,539</u>	<u>\$ 1,684,310</u>

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, 2009*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 138,261	\$ 304,174	\$ 986,546	\$ 260,114	\$ 306,271	\$ 1,995,366
Charges for Services	-	-	976	-	-	976
Licenses, Permits and Fees	59,774	-	-	-	717	60,491
Fines and Forfeitures	14,031	-	-	-	5,629	19,660
Intergovernmental	261,079	44,940	145,750	33,799	163,309	648,877
Interest	3,804	-	-	-	695	4,499
Other	3,917	44	9,677	-	1,931	15,569
<i>Total Receipts</i>	<u>480,866</u>	<u>349,158</u>	<u>1,142,949</u>	<u>293,913</u>	<u>478,552</u>	<u>2,745,438</u>
<b>Disbursements</b>						
Current:						
General Government	224,544	-	-	-	14,008	238,552
Public Safety	1,200	-	1,021,842	297,264	2,738	1,323,044
Public Works	63,919	332,460	-	-	144,819	541,198
Health	25,439	-	-	-	-	25,439
Human Services	-	-	-	-	-	-
Conservation-Recreation	6,502	-	-	-	-	6,502
Capital Outlay	41,523	111,122	16,068	-	26,075	194,788
Debt Service:						
Principal Retirement	-	16,322	-	-	181,943	198,265
Interest and Fiscal Charges	-	1,735	-	-	95,936	97,671
<i>Total Disbursements</i>	<u>363,127</u>	<u>461,639</u>	<u>1,037,910</u>	<u>297,264</u>	<u>465,519</u>	<u>2,625,459</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	117,739	(112,481)	105,039	(3,351)	13,033	119,979
<b>Other Financing Sources (Uses)</b>						
Transfers In	4,466	-	-	-	34,874	39,340
Transfers Out	(34,874)	-	-	-	(4,466)	(39,340)
Advances In	2,559	-	-	-	2,559	5,118
Advances Out	(2,559)	-	-	-	(2,559)	(5,118)
<i>Total Other Financing Sources (Uses)</i>	<u>(30,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,408</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	87,331	(112,481)	105,039	(3,351)	43,441	119,979
<i>Fund Balances Beginning of Year</i>	<u>766,273</u>	<u>332,353</u>	<u>191,346</u>	<u>28,261</u>	<u>246,098</u>	<u>1,564,331</u>
<i>Fund Balances End of Year</i>	<u>\$ 853,604</u>	<u>\$ 219,872</u>	<u>\$ 296,385</u>	<u>\$ 24,910</u>	<u>\$ 289,539</u>	<u>\$ 1,684,310</u>

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, 2009*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 132,696	\$ 138,261	\$ 138,261	\$ -
Licenses, Permits and Fees	61,000	59,774	59,774	-
Fines and Forfeitures	18,400	14,031	14,031	-
Intergovernmental	168,977	261,079	261,079	-
Interest	20,000	3,804	3,804	-
Other	1,350	3,917	3,917	-
<i>Total receipts</i>	<u>402,423</u>	<u>480,866</u>	<u>480,866</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	306,415	499,553	225,909	273,644
Public Safety	1,800	1,800	1,200	600
Public Works	69,055	69,501	63,919	5,582
Health	30,000	30,000	25,439	4,561
Conservation-Recreation	4,633	8,317	6,502	1,815
Capital Outlay	43,461	48,567	42,734	5,833
<i>Total Disbursements</i>	<u>455,364</u>	<u>657,738</u>	<u>365,703</u>	<u>292,035</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(52,941)</u>	<u>(176,872)</u>	<u>115,163</u>	<u>292,035</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	4,466	4,466	-
Transfers Out	(35,000)	(35,000)	(34,874)	126
Advances In	-	2,559	2,559	-
Advances Out	-	-	(2,559)	(2,559)
<i>Total Other Financing Sources (Uses)</i>	<u>(35,000)</u>	<u>(27,975)</u>	<u>(30,408)</u>	<u>(2,433)</u>
<i>Net Change in Fund Balance</i>	(87,941)	(204,847)	84,755	289,602
<i>Fund Balance Beginning of Year</i>	<u>728,797</u>	<u>728,797</u>	<u>728,935</u>	<u>138</u>
Prior Year Encumbrances Appropriated	<u>37,338</u>	<u>37,338</u>	<u>37,338</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 678,194</u>	<u>\$ 561,288</u>	<u>\$ 851,028</u>	<u>\$ 289,740</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, 2009*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 313,783	\$ 304,174	\$ 304,174	\$ -
Intergovernmental	27,300	44,940	44,940	-
Miscellaneous	-	44	44	-
<i>Total receipts</i>	<u>341,083</u>	<u>349,158</u>	<u>349,158</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	363,180	408,282	334,038	74,244
Capital Outlay	98,148	111,122	111,122	-
Debt Service:				
Principal Retirement	16,311	16,311	16,322	(11)
Interest and Fiscal Charges	1,746	1,746	1,735	11
<i>Total Disbursements</i>	<u>479,385</u>	<u>537,461</u>	<u>463,217</u>	<u>74,244</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(138,302)</u>	<u>(188,303)</u>	<u>(114,059)</u>	<u>74,244</u>
<i>Net Change in Fund Balance</i>	<u>(138,302)</u>	<u>(188,303)</u>	<u>(114,059)</u>	<u>74,244</u>
<i>Fund Balance Beginning of Year</i>	<u>330,885</u>	<u>330,885</u>	<u>330,850</u>	<u>(35)</u>
Prior Year Encumbrances Appropriated	<u>1,503</u>	<u>1,503</u>	<u>1,503</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 194,086</u>	<u>\$ 144,085</u>	<u>\$ 218,294</u>	<u>\$ 74,209</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, 2009*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,068,375	\$ 986,546	\$ 986,546	\$ -
Charges for Services	650	976	976	-
Intergovernmental	66,800	145,750	145,750	-
Other	-	9,677	9,677	-
<i>Total receipts</i>	<u>1,135,825</u>	<u>1,142,949</u>	<u>1,142,949</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,061,427	1,085,364	1,027,693	57,671
Capital Outlay	15,200	39,343	39,193	150
<i>Total Disbursements</i>	<u>1,076,627</u>	<u>1,124,707</u>	<u>1,066,886</u>	<u>57,821</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>59,198</u>	<u>18,242</u>	<u>76,063</u>	<u>57,821</u>
<i>Fund Balance Beginning of Year</i>	<u>189,220</u>	<u>189,220</u>	<u>187,583</u>	<u>(1,637)</u>
Prior Year Encumbrances Appropriated	<u>3,763</u>	<u>3,763</u>	<u>3,763</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 252,181</u>	<u>\$ 211,225</u>	<u>\$ 267,409</u>	<u>\$ 56,184</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, 2009*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 265,613	\$ 260,114	\$ 260,114	\$ -
Intergovernmental	28,000	33,799	33,799	-
<i>Total receipts</i>	<u>293,613</u>	<u>293,913</u>	<u>293,913</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	303,050	303,350	297,264	6,086
<i>Total Disbursements</i>	<u>303,050</u>	<u>303,350</u>	<u>297,264</u>	<u>6,086</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,437)</u>	<u>(9,437)</u>	<u>(3,351)</u>	<u>6,086</u>
<i>Fund Balance Beginning of Year</i>	<u>28,261</u>	<u>28,261</u>	<u>28,261</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 18,824</u>	<u>\$ 18,824</u>	<u>\$ 24,910</u>	<u>\$ 6,086</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, 2008*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,564,331
<i>Total Assets</i>	1,564,331
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	132,646
Debt Service	1
Other Purposes	665,411
Unrestricted	766,273
<i>Total Net Assets</i>	\$ 1,564,331

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, 2008

	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	\$ 274,036	\$ -	\$ -	\$ -	\$ (274,036)
Public Safety	1,327,458	42,928	-	-	(1,284,530)
Public Works	598,167	64,266	119,574	-	(414,327)
Health	24,197	-	-	-	(24,197)
Human Services	18,308	-	-	-	(18,308)
Conservation-Recreation	4,062	-	-	-	(4,062)
Other	-	-	23,671	-	23,671
Capital Outlay	98,100	-	-	-	(98,100)
Debt Service:					
Principal	1,416,833	-	-	-	(1,416,833)
Interest	68,449	-	-	-	(68,449)
<i>Total Governmental Activities</i>	<u>\$ 3,829,610</u>	<u>\$ 107,194</u>	<u>\$ 143,245</u>	<u>\$ -</u>	<u>\$ (3,579,171)</u>
<b>General Receipts</b>					
Property Taxes					1,841,482
Other Taxes					63,620
Grants and Entitlements not Restricted to Specific Programs					381,248
Bonds Issued					1,311,936
Sale of Fixed Assets					2,000
Cable Franchise Fees					61,201
Interest					38,072
Miscellaneous					45,652
<i>Total General Receipts</i>					<u>3,745,211</u>
Change in Net Assets					<u>166,040</u>
<i>Net Assets Beginning of Year</i>					<u>1,398,291</u>
<i>Net Assets End of Year</i>					<u>\$ 1,564,331</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, 2008*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 766,273	\$ 332,353	\$ 191,346	\$ 28,261	\$ 246,098	\$ 1,564,331
<i>Total Assets</i>	<u>766,273</u>	<u>332,353</u>	<u>191,346</u>	<u>28,261</u>	<u>246,098</u>	<u>1,564,331</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	37,338	1,503	3,763	-	-	42,604
Unreserved:						
General Fund	728,935	-	-	-	-	728,935
Special Revenue Funds	-	330,850	187,583	28,261	113,451	660,145
Capital Projects Funds	-	-	-	-	132,647	132,647
<i>Total Fund Balances</i>	<u>\$ 766,273</u>	<u>\$ 332,353</u>	<u>\$ 191,346</u>	<u>\$ 28,261</u>	<u>\$ 246,098</u>	<u>\$ 1,564,331</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, 2008*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 134,803	\$ 296,588	\$ 968,076	\$ 254,026	\$ 251,609	\$ 1,905,102
Charges for Services	-	-	574	-	-	574
Licenses, Permits and Fees	61,200	-	-	-	916	62,116
Fines and Forfeitures	17,529	-	-	-	7,596	25,125
Intergovernmental	185,813	67,898	153,046	34,796	163,520	605,073
Interest	31,307	-	-	-	6,765	38,072
Other	3,230	194	21,891	-	20,337	45,652
<b>Total Receipts</b>	<b>433,882</b>	<b>364,680</b>	<b>1,143,587</b>	<b>288,822</b>	<b>450,743</b>	<b>2,681,714</b>
<b>Disbursements</b>						
Current:						
General Government	258,019	-	-	-	16,017	274,036
Public Safety	2,347	-	1,030,746	292,062	2,303	1,327,458
Public Works	62,164	315,862	-	-	220,141	598,167
Health	24,197	-	-	-	-	24,197
Human Services	-	-	-	-	18,308	18,308
Conservation-Recreation	4,062	-	-	-	-	4,062
Capital Outlay	12,632	-	62,754	-	22,714	98,100
Debt Service:						
Principal Retirement	-	15,510	-	-	1,401,323	1,416,833
Interest and Fiscal Charges	-	2,548	-	-	65,901	68,449
<b>Total Disbursements</b>	<b>363,421</b>	<b>333,920</b>	<b>1,093,500</b>	<b>292,062</b>	<b>1,746,707</b>	<b>3,829,610</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	70,461	30,760	50,087	(3,240)	(1,295,964)	(1,147,896)
<b>Other Financing Sources (Uses)</b>						
Bonds Issued	-	-	-	-	1,311,936	1,311,936
Sale of Fixed Assets	-	2,000	-	-	-	2,000
Transfers In	-	-	-	-	34,280	34,280
Transfers Out	(34,280)	-	-	-	-	(34,280)
Advances In	34,977	-	-	-	34,977	69,954
Advances Out	(34,977)	-	-	-	(34,977)	(69,954)
<b>Total Other Financing Sources (Uses)</b>	<b>(34,280)</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>1,346,216</b>	<b>1,313,936</b>
<b>Net Change in Fund Balances</b>	<b>36,181</b>	<b>32,760</b>	<b>50,087</b>	<b>(3,240)</b>	<b>50,252</b>	<b>166,040</b>
<b>Fund Balances Beginning of Year</b>	<b>730,092</b>	<b>299,593</b>	<b>141,259</b>	<b>31,501</b>	<b>195,846</b>	<b>1,398,291</b>
<b>Fund Balances End of Year</b>	<b>\$ 766,273</b>	<b>\$ 332,353</b>	<b>\$ 191,346</b>	<b>\$ 28,261</b>	<b>\$ 246,098</b>	<b>\$ 1,564,331</b>

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, 2008*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 126,288	\$ 134,803	\$ 134,803	\$ -
Licenses, Permits and Fees	57,000	61,200	61,200	-
Fines and Forfeitures	17,000	17,529	17,529	-
Intergovernmental	168,263	185,813	185,813	-
Interest	18,600	31,307	31,307	-
Other	-	3,230	3,230	-
<i>Total receipts</i>	<u>387,151</u>	<u>433,882</u>	<u>433,882</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	496,779	476,461	258,952	217,509
Public Safety	600	2,400	2,347	53
Public Works	64,745	65,194	62,164	3,030
Health	28,000	37,200	24,197	13,003
Conservation-Recreation	1,000	4,472	4,062	410
Capital Outlay	43,750	52,053	49,037	3,016
<i>Total Disbursements</i>	<u>634,874</u>	<u>637,780</u>	<u>400,759</u>	<u>237,021</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(247,723)</u>	<u>(203,898)</u>	<u>33,123</u>	<u>237,021</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(50,000)	(50,000)	(34,280)	15,720
Advances In	-	34,977	34,977	-
Advances Out	(30,000)	(34,977)	(34,977)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(80,000)</u>	<u>(50,000)</u>	<u>(34,280)</u>	<u>15,720</u>
<i>Net Change in Fund Balance</i>	<u>(327,723)</u>	<u>(253,898)</u>	<u>(1,157)</u>	<u>252,741</u>
<i>Fund Balance Beginning of Year</i>	<u>728,975</u>	<u>728,975</u>	<u>728,975</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,117</u>	<u>1,117</u>	<u>1,117</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 402,369</u>	<u>\$ 476,194</u>	<u>\$ 728,935</u>	<u>\$ 252,741</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, 2008*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 284,568	\$ 296,588	\$ 296,588	\$ -
Intergovernmental	28,807	67,898	67,898	-
Other	-	194	194	-
<i>Total receipts</i>	<u>313,375</u>	<u>364,680</u>	<u>364,680</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	519,904	520,905	317,365	203,540
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	15,509	15,509	15,510	(1)
Interest and Fiscal Charges	2,548	2,548	2,547	1
<i>Total Disbursements</i>	<u>537,961</u>	<u>538,962</u>	<u>335,422</u>	<u>203,540</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(224,586)</u>	<u>(174,282)</u>	<u>29,258</u>	<u>203,540</u>
<b>Other Financing Sources</b>				
Sale of Fixed Assets	-	2,000	2,000	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(224,586)</u>	<u>(172,282)</u>	<u>31,258</u>	<u>203,540</u>
<i>Fund Balance Beginning of Year</i>	<u>297,673</u>	<u>297,673</u>	<u>297,673</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>1,919</u>	<u>1,919</u>	<u>1,919</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 75,006</u>	<u>\$ 127,310</u>	<u>\$ 330,850</u>	<u>\$ 203,540</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, 2008*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 979,866	\$ 968,076	\$ 968,076	\$ -
Charges for Services	-	574	574	-
Intergovernmental	79,000	153,046	153,046	-
Other	-	21,891	21,891	-
<i>Total receipts</i>	<u>1,058,866</u>	<u>1,143,587</u>	<u>1,143,587</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,107,319	1,091,152	1,034,509	56,643
Capital Outlay	49,656	65,823	62,754	3,069
<i>Total Disbursements</i>	<u>1,156,975</u>	<u>1,156,975</u>	<u>1,097,263</u>	<u>59,712</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,109)</u>	<u>(13,388)</u>	<u>46,324</u>	<u>59,712</u>
<i>Fund Balance Beginning of Year</i>	<u>134,763</u>	<u>134,763</u>	<u>134,763</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>6,496</u>	<u>6,496</u>	<u>6,496</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 43,150</u>	<u>\$ 127,871</u>	<u>\$ 187,583</u>	<u>\$ 59,712</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, 2008*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 251,342	\$ 254,026	\$ 254,026	\$ -
Intergovernmental	27,960	34,796	34,796	-
<i>Total receipts</i>	<u>279,302</u>	<u>288,822</u>	<u>288,822</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	279,302	297,879	292,062	5,817
<i>Total Disbursements</i>	<u>279,302</u>	<u>297,879</u>	<u>292,062</u>	<u>5,817</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>(9,057)</u>	<u>(3,240)</u>	<u>5,817</u>
<i>Fund Balance Beginning of Year</i>	<u>31,501</u>	<u>31,501</u>	<u>31,501</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 31,501</u>	<u>\$ 22,444</u>	<u>\$ 28,261</u>	<u>\$ 5,817</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 2008 and 2009, 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, 2008 and December 31, 2009.

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 2009 was \$3,804 and \$31,307 for 2008.

**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 \$2,576 for the General Fund and \$30,554 for major special revenue funds for 2009. The encumbrances outstanding at year end (budgetary basis) amounted to \$37,338 for the General Fund and \$5,266 for major special revenue funds for 2008.

**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, 2009 and 2008

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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, 2009 and 2008 the bank balances were \$1,170,045 and \$1,047,725, respectively, of the Township's bank balances \$920,045 and \$797,725 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, 2009 and 2008, the Township had the following investments

	2009	2008	
	<u>Carrying Value</u>	<u>Carrying Value</u>	<u>Maturity</u>
JP Morgan Chase Bank			
High Yield Savings - Public Funds	\$ 1,112,999	\$ 1,001,647	1 Day
STAR Ohio	<u>519,260</u>	<u>527,112</u>	1 Day
	\$ 1,632,259	\$ 1,528,759	

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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 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, 2009 and 2008

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

Public utility property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008 became a lien on December 31, 2008 and 2007, were levied after October 1, 2008 and 2007, 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 2009 and 2008 (other than public utility property) represent the collection of 2008 and 2007 taxes. Tangible personal property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, on the true value as of December 31, 2008 and 2007. Tangible personal property taxes received in 2008 represents the collection of 2007 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, 2009 and 2008 was \$18.20 per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2009 and 2008 property tax receipts were based are as follows:

	2009	2008
Real Property		
Residential/Agricultural	\$96,157,580	\$96,157,580
Other Real	\$32,414,830	\$32,414,830
PUCO Personal	\$6,026,350	\$6,026,350
Tangible Personal Property		
Residential/Ag New Construction	\$1,363,870	\$1,363,870
Other New Construction	\$249,180	\$249,180
Total Assessed Value	\$144,420,150	\$144,420,150

**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 Insurance**

For occurrences prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year.

For occurrences on or after January 1, 2006, OTARMA retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust OTARMA’s retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

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

**Property Insurance**

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss 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 OTARMA 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 \$600,000,000 per occurrence limit.

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 OTARMA member.

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, 2008 and 2007 (the latest information available)

<u>Combined Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Retained earnings	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$10.9 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.9 million and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Government's share of these unpaid claims collectible in future years is approximately \$11,000. This payable includes the subsequent year's contribution due if the Government 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>	
2007	\$22,302
2008	\$24,348
2009	\$21,092

**Note 7 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2009 and 2008, the members in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. The Township's contribution rate for pension benefits was 14.00 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, 2009, 2008, and 2007 were \$217,583, \$215,270, and \$199,837 respectively. The full amount has been contributed for 2009, 2008, and 2007. Contributions to the member-directed plan for 2009 were \$134,389 made by the Township and \$83,194 made by the plan members.

**Note 8 – Postemployment Benefits**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 and 2008 local Township employer contribution rate was 13.85 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.0 percent of covered payroll was the portion that was used to fund health care.

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 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 4 percent annually for the next seven years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.



St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 8 – Postemployment Benefits** (continued)

The number of active contributing participants in the traditional and combined plans was 363,503. Actual employer contributions for 2009 and 2008 which were used to fund post employment benefits, were 14%.

The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

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

**Note 9 – Debt**

The Township's long-term debt activity for the years ended December 31, 2009 and 2008, was as follows:

<u>Governmental Activities</u>	<u>Interest Rate</u>	<u>Principal Outstanding 12/31/07</u>	<u>Add</u>	<u>Deductions</u>	<u>Principal Outstanding 12/31/08</u>	<u>Add</u>	<u>Deductions</u>	<u>Principal Outstanding 12/31/09</u>
2007 Truck Purchase	5.13%	\$ 48,986	\$ -	\$ 15,510	\$ 33,476	\$ -	\$ 16,322	\$17,154
2002 Infrastructure Loan	4.00%	250,000	-	250,000	-	-	-	-
2002 Infrastructure Loan	4.00%	1,103,936	-	1,103,936	-	-	-	-
2002 Administrative Bld	4.00%	728,545	-	47,387	681,158	-	50,749	630,409
Tax Incr. Revenue Bonds	5.18%	-	1,311,936	-	1,311,936	-	131,194	1,180,742
		\$2,131,467	\$1,311,936	\$1,416,833	\$2,026,570	\$ -	\$198,265	\$1,828,305

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

<u>Year</u>	<u>General Obligation Notes</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	70,590	26,562	131,194	61,162
2011	79,105	23,353	131,194	54,367
2012	497,868	1,874	131,194	47,571
2013	-	-	131,194	40,775
2014	-	-	131,194	33,979
2015-2019	-	-	524,772	67,958
<u>Totals</u>	<u>\$647,563</u>	<u>\$51,789</u>	<u>\$1,180,742</u>	<u>\$305,812</u>

The two infrastructure balloon payments were paid by issuing tax increment revenue bonds in 2008 in the amount of \$1,311,936. The Township makes interest payments twice a year and one principal payment of \$131,194. The beginning balance for one of the infrastructure loans was adjusted above to reflect the correct balance. The prior audit reflected a December 31, 2007 balance of \$1,142,830. The correct balance was \$1,103,936. There is also a balloon payment on the mortgage for the purchase, renovation, and construction of the new Township Administration Building in 2012. The 2007 Truck purchase loan was issued for \$48,986. The Township will make annual payments on the note in the amount of \$18,057 including interest. The 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

St. Clair Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008

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including interest.

**Note 10 – Interfund Transfers**

During 2009, the following transfer was made from a fund other than the General Fund:

Transfers from Other Governmental Funds to:	
General Fund	<u>\$4,466</u>
Total Transfers from Other Governmental Funds	<u>\$4,466</u>

The transfer was made from the Clean Ohio Grant Fund to the General Fund to reimburse for Calcutta Community Park expenditures.

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.

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

June 18, 2010

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, Ohio** (the Township) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 18, 2010. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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

### **Compliance and Other Matters**

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

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 18, 2010.

We intend this report solely for the information and use of management, Board of Trustees and others within the Township. We intend it for no one other than these specified parties.

Respectfully Submitted,

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

**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  
JULY 8, 2010