



**ST. CLAIR TOWNSHIP  
COLUMBIANA COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED  
DECEMBER 31, 2015 & 2014**





# Dave Yost • Auditor of State

Board of Trustees  
St. Clair Township  
15442 Pugh Road  
Suite 1  
Calcutta, Ohio 43920

We have reviewed the *Independent Auditor's Report* of the St. Clair Township, Columbiana County, prepared by Canter & Associates, for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted this report 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. The St. Clair Township is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

October 12, 2016

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**ST CLAIR TOWNSHIP  
COLUMBIANA COUNTY**

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COLUMBIANA COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

We have audited the accompanying modified cash-basis 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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Clair Township, Columbiana County, Ohio, as of December 31, 2015 and 2014, and the respective changes in modified cash financial position and the respective budgetary comparison for the General and Road and Bridge, Police Levy, and Fire Levy funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Other Information***

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2016, 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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Government's internal control over financial reporting and compliance.



**Canter & Associates**

Poland, Ohio

July 29, 2016



**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
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, 2015 and 2014 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 2015 are as follows:

Net position of Governmental activities decreased \$72,809 from the prior year. The funds most affected by the decrease in cash and cash equivalents were the capital projects funds, which realized the greatest burden of increased costs, however, cost increases affected most funds.

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 \$1,889,461 and \$481,242 of the total cash received for Governmental activities during the year.

Key highlights for 2014 are as follows:

Net position of Governmental activities decreased \$114,656 a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Police Levy special revenue fund.

The Township's general receipts in the major funds are primarily property taxes (inside and outside millage) and Grants and Entitlements. These receipts represent respectively \$1,850,088, and \$480,688 of the total cash received for Governmental activities during the year 2014.

### **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 Position 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.

**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
Unaudited

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**Basis of Accounting**

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

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

**Reporting the Township as a Whole**

The Statement of Net Position and the Statement of Activities reflect how the Township did financially during 2015 and 2014, within the limitations of cash basis accounting. The Statement of Net Position 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 Position 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.

**St. Clair Township, Columbiana County**  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2015 and December 31, 2014  
 Unaudited

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

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

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

**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2015 compared to 2014 on a cash basis:

(Table 1)  
**Net Position**

	Governmental Activities	
	2015	2014
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,204,671	\$ 2,277,480
Total Assets	\$ 2,204,671	\$ 2,277,480
 <b>Net Position</b>		
Restricted for:		
Debt Service	\$ 1,158	\$ 1
Capital Outlay	82,871	58,966
Other Purposes	844,919	893,316
Unrestricted	1,275,723	1,325,197
Total Net Position	\$ 2,204,671	\$ 2,277,480

As mentioned previously, net position of governmental activities decreased \$72,809 from 2014 to 2015. The primary reason contributing to the decrease was the receipt of Estate Tax in 2014 but not 2015 and the increased cost of capital projects and public works activity.

**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
Unaudited

Table 2 reflects the comparison of the changes in net position in 2015 and 2014.

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

	Governmental Activities		
	2015	2014	Difference
<b>Receipts</b>			
<b>Program Receipts:</b>			
Charges for Services and Sales	\$ 14,773	\$ 14,871	\$ (98)
Operating Grants and Contributions	12,488	498	\$ 11,990
Capital Grants and Contributions	-	16,527	\$ (16,527)
Total Program Receipts	<u>27,261</u>	<u>31,896</u>	<u>(4,635)</u>
<b>General Receipts:</b>			
Property and Other Local Taxes	1,889,461	1,850,088	39,373
Other Taxes	65,401	79,944	(14,543)
Grants and Entitlements Not Restricted to Specific Programs	481,242	480,688	554
Cable Franchise Fees	94,978	90,295	4,683
Interest	1,378	807	571
Miscellaneous	38,349	37,575	774
Total General Receipts	<u>2,570,809</u>	<u>2,539,397</u>	<u>31,412</u>
Total Receipts	<u>2,598,070</u>	<u>2,571,293</u>	<u>26,777</u>
<b>Disbursements</b>			
Current:			
General Government	293,277	266,164	27,113
Public Safety	1,368,575	1,423,690	(55,115)
Public Works	625,068	569,806	55,262
Health	-	16,647	(16,647)
Conservation-Recreation	5,395	4,370	1,025
Human Services	-	3,014	(3,014)
Capital Outlay	94,484	92,189	2,295
Debt Services:			
Principal Retirement	238,421	255,781	(17,360)
Interest & Fiscal Charges	45,659	54,288	249
Total Disbursements	<u>2,670,879</u>	<u>2,685,949</u>	<u>(6,192)</u>
Increase (Decrease) in Net Position	(72,809)	(114,656)	41,847
Net Position Beginning of Year	<u>2,277,480</u>	<u>2,392,136</u>	<u>(114,656)</u>
Net Position End of Year	<u>\$ 2,204,671</u>	<u>\$ 2,277,480</u>	<u>\$ (72,809)</u>

Program receipts represent only 1 percent of 2015 and 2014 total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
Unaudited

General receipts represent 99 percent in 2015 and 2014 of the Township's total receipts, and of this amount, 73 percent in 2015 and 2014 are local taxes. State and federal grants and entitlements make up most of the balance of the Township's general receipts (19 percent in 2015 and 2014). Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of administration and the road department. Since these costs do not represent direct services to residents, we try to limit these costs.

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

**Governmental Activities**

If you look at Table 3 Governmental Activities below, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for Governmental activities are for Public Works, 23 percent in 2015 and 21 percent in 2014, and Public Safety 51 percent in 2015 and 53 percent in 2014 of all Governmental disbursements, respectively. General Government also represents a significant cost, about 11 percent in 2015 and 10 percent in 2014. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2015	2015	2014	2014
General Government	\$ 293,277	\$ 293,277	\$ 266,164	\$ 266,164
Public Safety	1,368,575	1,353,802	1,423,690	1,408,819
Public Works	625,068	625,068	569,806	553,279
Health	-	-	16,647	16,647
Human Services	-	-	3,014	3,014
Conservation-Recreation	5,395	5,395	4,370	4,370
Capital Outlay	94,484	94,484	92,189	92,189
Other	-	(12,488)	-	(498)
Principal Retirement	238,421	238,421	255,781	255,781
Interest and Fiscal Charges	45,659	45,659	54,288	54,288
<b>Total Expenses</b>	<b>\$ 2,670,879</b>	<b>\$ 2,643,618</b>	<b>\$ 2,685,949</b>	<b>\$ 2,654,053</b>

The dependence upon property tax receipts is apparent as 71 and 69 percent, respectively, of governmental activities expenses are supported through property tax receipts for 2015 and 2014.

**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
Unaudited

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**The Township's Funds**

Total Governmental funds had receipts of \$2,598,070 in 2015 and disbursements of \$2,670,879 and receipts of \$2,571,293 in 2014 and disbursements of \$2,685,949. The net change in major fund balances depicts total disbursements exceeding total receipts for both years.

General Fund receipts in 2015 and 2014, excluding transfers and advances, were greater than disbursements by \$29,783 and \$60,798, respectively, 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 four major funds: General Fund, Road and Bridge Fund, Police Levy Fund and the Fire Levy Fund.

**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, 2015, the Township's outstanding debt included \$289,484 with 1<sup>st</sup> National Community Bank to pay for the construction of the new administration building, which was built in 2002; \$393,561 to pay a tax increment revenue bond with JPMorgan Chase Bank for the construction of McGuffey Drive, \$17,853 to Ford credit to purchase two police vehicles, \$18,307 with Kansas State bank to purchase a Case excavator, and \$32,844 to purchase radios and wireless equipment.

**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. Our newly prepared financial forecast predicts increased costs with revenue remaining the same; therefore, the finance committee and the administration have been trying to pass a road levy to assist in the maintenance of the roadways in the Township as the cost of these materials have tripled in the past five years.

**St. Clair Township, Columbiana County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2015 and December 31, 2014  
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 Position - Cash Basis*  
*For the Year Ended December 31, 2015*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,204,671
<i>Total Assets</i>	2,204,671
 <b>Net Position</b>	
Restricted for:	
Capital Projects	82,871
Debt Service	1,158
Other Purposes	846,252
Unrestricted	1,274,390
<i>Total Net Position</i>	\$ 2,204,671

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, 2015

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 293,277	\$ -	\$ -	\$ (293,277)
Public Safety	1,368,575	14,773	-	(1,353,802)
Public Works	625,068	-	-	(625,068)
Conservation-Recreation	5,395	-	-	(5,395)
Other	-	-	12,488	12,488
Capital Outlay	94,484	-	-	(94,484)
Debt Service:				
Principal	238,421	-	-	(238,421)
Interest	45,659	-	-	(45,659)
<i>Total Governmental Activities</i>	<u>\$ 2,670,879</u>	<u>\$ 14,773</u>	<u>\$ 12,488</u>	<u>\$ (2,643,618)</u>
<b>General Receipts</b>				
Property Taxes				1,889,461
Other Taxes				65,401
Grants and Entitlements not Restricted to Specific Programs				481,242
Cable Franchise Fees				94,978
Interest				1,378
Miscellaneous				38,349
<i>Total General Receipts</i>				<u>2,570,809</u>
Change in Net Position				(72,809)
<i>Net Position Beginning of Year</i>				<u>2,277,480</u>
<i>Net Position End of Year</i>				<u>\$ 2,204,671</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, 2015*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 1,275,723	\$ 141,642	\$ 524,624	\$ 60,487	\$ 202,195	\$ 2,204,671
<i>Total Assets</i>	<u>1,275,723</u>	<u>141,642</u>	<u>524,624</u>	<u>60,487</u>	<u>202,195</u>	<u>2,204,671</u>
<b>Fund Balances</b>						
Restricted	-	141,642	524,624	60,487	199,857	926,610
Committed	-	-	-	-	2,338	2,338
Assigned	1,333	-	-	-	-	1,333
Unassigned	1,274,390	-	-	-	-	1,274,390
<i>Total Fund Balances</i>	<u>\$ 1,275,723</u>	<u>\$ 141,642</u>	<u>\$ 524,624</u>	<u>\$ 60,487</u>	<u>\$ 202,195</u>	<u>\$ 2,204,671</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, 2015*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 183,216	\$ 295,160	\$ 945,303	\$ 246,136	\$ 219,646	\$ 1,889,461
Licenses, Permits and Fees	94,978	-	-	-	830	95,808
Fines and Forfeitures	9,879	-	-	-	4,894	14,773
Intergovernmental	108,881	57,101	153,481	34,658	191,692	545,813
Interest	1,284	-	-	-	94	1,378
Other	23,590	200	26,047	-	1,000	50,837
<i>Total Receipts</i>	<u>421,828</u>	<u>352,461</u>	<u>1,124,831</u>	<u>280,794</u>	<u>418,156</u>	<u>2,598,070</u>
<b>Disbursements</b>						
Current:						
General Government	276,927	-	-	-	16,350	293,277
Public Safety	2,628	-	1,100,234	265,713	-	1,368,575
Public Works	90,254	382,297	-	-	152,517	625,068
Conservation-Recreation	5,395	-	-	-	-	5,395
Capital Outlay	16,841	26,300	3,649	-	47,694	94,484
Debt Service:						
Principal Retirement	-	-	25,838	-	212,583	238,421
Interest and Fiscal Charges	-	-	2,667	-	42,992	45,659
<i>Total Disbursements</i>	<u>392,045</u>	<u>408,597</u>	<u>1,132,388</u>	<u>265,713</u>	<u>472,136</u>	<u>2,670,879</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>29,783</u>	<u>(56,136)</u>	<u>(7,557)</u>	<u>15,081</u>	<u>(53,980)</u>	<u>(72,809)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	77,453	77,453
Transfers Out	(77,453)	-	-	-	-	(77,453)
<i>Total Other Financing Sources (Uses)</i>	<u>(77,453)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,453</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(47,670)	(56,136)	(7,557)	15,081	23,473	(72,809)
<i>Fund Balances Beginning of Year</i>	<u>1,323,393</u>	<u>197,778</u>	<u>532,181</u>	<u>45,406</u>	<u>178,722</u>	<u>2,277,480</u>
<i>Restricted</i>		141,642	524,624	60,487	199,857	926,610
<i>Committed</i>					2,338	2,338
<i>Assigned</i>	1,333					1,333
<i>Unassigned</i>	1,274,390					1,274,390
<i>Fund Balances End of Year</i>	<u>\$ 1,275,723</u>	<u>\$ 141,642</u>	<u>\$ 524,624</u>	<u>\$ 60,487</u>	<u>\$ 202,195</u>	<u>\$ 2,204,671</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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 197,550	\$ 211,223	\$ 183,216	\$ (28,007)
Licenses, Permits and Fees	90,000	94,977	94,978	1
Fines and Forfeitures	6,670	9,879	9,879	-
Intergovernmental	18,816	108,881	108,881	-
Interest	1,225	556	1,284	728
Other	2,000	23,590	23,590	-
<i>Total Receipts</i>	<u>316,261</u>	<u>449,106</u>	<u>421,828</u>	<u>(27,278)</u>
<b>Disbursements</b>				
Current:				
General Government	367,476	353,537	278,260	75,277
Public Safety	3,500	3,500	2,628	872
Public Works	108,950	105,108	90,254	14,854
Health	30,000	30,000	-	30,000
Conservation-Recreation	7,561	7,561	5,395	2,166
Capital Outlay	-	16,841	16,841	-
<i>Total Disbursements</i>	<u>517,487</u>	<u>516,547</u>	<u>393,378</u>	<u>123,169</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(201,226)	(67,441)	28,450	95,891
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(83,453)	(83,453)	(77,453)	6,000
<i>Net Change in Fund Balance</i>	(284,679)	(150,894)	(49,003)	101,891
<i>Unencumbered Fund Balance Beginning of Year</i>	1,322,197	1,322,197	1,322,197	-
Prior Year Encumbrances Appropriated	1,196	1,196	1,196	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 1,038,714</u>	<u>\$ 1,172,499</u>	<u>\$ 1,274,390</u>	<u>\$ 101,891</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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 270,396	\$ 270,396	\$ 295,160	\$ 24,764
Intergovernmental	40,404	40,404	57,101	16,697
Miscellaneous	-	-	200	200
<i>Total Receipts</i>	<u>310,800</u>	<u>310,800</u>	<u>352,461</u>	<u>41,661</u>
<b>Disbursements</b>				
Current:				
Public Works	377,910	425,000	384,093	40,907
Capital Outlay	-	26,300	26,300	-
<i>Total Disbursements</i>	<u>377,910</u>	<u>451,300</u>	<u>410,393</u>	<u>40,907</u>
<i>Net Change in Fund Balance</i>	(67,110)	(140,500)	(57,932)	82,568
<i>Unencumbered Fund Balance Beginning of Year</i>	194,770	194,770	194,770	-
Prior Year Encumbrances Appropriated	<u>3,008</u>	<u>3,008</u>	<u>3,008</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 130,668</u>	<u>\$ 57,278</u>	<u>\$ 139,846</u>	<u>\$ 82,568</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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 867,541	\$ 867,541	\$ 945,303	\$ 77,762
Intergovernmental	121,559	126,559	153,481	26,922
Other	-	-	26,047	26,047
<i>Total Receipts</i>	<u>989,100</u>	<u>994,100</u>	<u>1,124,831</u>	<u>130,731</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,277,049	1,307,485	1,108,734	198,751
Capital Outlay	-	4,009	3,649	360
Debt Service:				
Principal Retirement	25,838	25,838	25,838	-
Interest and Fiscal Charges	2,667	2,668	2,667	1
<i>Total Disbursements</i>	<u>1,305,554</u>	<u>1,340,000</u>	<u>1,140,888</u>	<u>199,112</u>
<i>Net Change in Fund Balance</i>	(316,454)	(345,900)	(16,057)	329,843
<i>Unencumbered Fund Balance Beginning of Year</i>	522,138	522,138	522,138	-
Prior Year Encumbrances Appropriated	<u>10,043</u>	<u>10,043</u>	<u>10,043</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 215,727</u>	<u>\$ 186,281</u>	<u>\$ 516,124</u>	<u>\$ 329,843</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 222,894	\$ 231,809	\$ 246,136	\$ 14,327
Intergovernmental	33,306	15,730	34,658	18,928
<i>Total Receipts</i>	256,200	247,539	280,794	33,255
<b>Disbursements</b>				
Current:				
Public Safety	266,200	266,200	265,713	487
<i>Net Change in Fund Balance</i>	(10,000)	(18,661)	15,081	33,742
<i>Unencumbered Fund Balance Beginning of Year</i>	45,406	45,406	45,406	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 35,406</u>	<u>\$ 26,745</u>	<u>\$ 60,487</u>	<u>\$ 33,742</u>

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

**St. Clair Township, Columbiana County**  
*Statement of Net Position - Cash Basis*  
*For the Year Ended December 31, 2014*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,277,480
<i>Total Assets</i>	2,277,480
 <b>Net Position</b>	
Restricted for:	
Capital Projects	58,966
Debt Service	1
Other Purposes	896,316
Unrestricted	1,322,197
<i>Total Net Position</i>	\$ 2,277,480

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, 2014

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$ 266,164	\$ -	\$ -	\$ -	\$ (266,164)
Public Safety	1,423,690	14,871	-	-	(1,408,819)
Public Works	569,806	-	-	16,527	(553,279)
Health	16,647	-	-	-	(16,647)
Human Services	3,014	-	-	-	(3,014)
Conservation-Recreation	4,370	-	-	-	(4,370)
Other	-	-	498	-	498
Capital Outlay	92,189	-	-	-	(92,189)
Debt Service:					
Principal	255,781	-	-	-	(255,781)
Interest	54,288	-	-	-	(54,288)
<i>Total Governmental Activities</i>	<u>\$ 2,685,949</u>	<u>\$ 14,871</u>	<u>\$ 498</u>	<u>\$ 16,527</u>	<u>\$ (2,654,053)</u>
Total Net Position					
<b>General Receipts</b>					
Property Taxes					1,850,088
Other Taxes					79,944
Grants and Entitlements not Restricted to Specific Programs					480,688
Cable Franchise Fees					90,295
Interest					807
Miscellaneous					37,575
<i>Total General Receipts</i>					<u>2,539,397</u>
Change in Net Position					(114,656)
<i>Net Position Beginning of Year</i>					<u>2,392,136</u>
<i>Net Position End of Year</i>					<u>\$ 2,277,480</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, 2014*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 1,323,393	\$ 197,778	\$ 532,181	\$ 45,406	\$ 178,722	\$ 2,277,480
<i>Total Assets</i>	<u>1,323,393</u>	<u>197,778</u>	<u>532,181</u>	<u>45,406</u>	<u>178,722</u>	<u>2,277,480</u>
<b>Fund Balances</b>						
Restricted	-	197,778	532,181	45,406	161,412	936,777
Committed	-	-	-	-	17,310	17,310
Assigned	1,196	-	-	-	-	1,196
Unassigned	1,322,197	-	-	-	-	1,322,197
<i>Total Fund Balances</i>	<u>\$ 1,323,393</u>	<u>\$ 197,778</u>	<u>\$ 532,181</u>	<u>\$ 45,406</u>	<u>\$ 178,722</u>	<u>\$ 2,277,480</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, 2014*

	General	Road and Bridge	Police Levy	Fire Levy	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$ 192,336	\$ 291,235	\$ 931,889	\$ 242,793	\$ 191,835	\$ 1,850,088
Licenses, Permits and Fees	90,294	-	-	-	906	91,200
Fines and Forfeitures	12,755	-	-	-	2,116	14,871
Intergovernmental	127,800	46,125	162,721	36,555	203,051	576,252
Interest	722	-	-	-	85	807
Other	12,911	718	23,445	-	1,001	38,075
<i>Total Receipts</i>	<u>436,818</u>	<u>338,078</u>	<u>1,118,055</u>	<u>279,348</u>	<u>398,994</u>	<u>2,571,293</u>
<b>Disbursements</b>						
Current:						
General Government	246,178	-	-	-	19,986	266,164
Public Safety	2,628	-	1,157,553	263,509	-	1,423,690
Public Works	83,289	342,288	-	-	144,229	569,806
Health	16,647	-	-	-	-	16,647
Human Services	-	-	-	-	3,014	3,014
Conservation-Recreation	4,370	-	-	-	-	4,370
Capital Outlay	22,908	10,716	-	-	58,565	92,189
Debt Service:						
Principal Retirement	-	4,444	45,244	-	206,093	255,781
Interest and Fiscal Charges	-	-	2,207	-	52,081	54,288
<i>Total Disbursements</i>	<u>376,020</u>	<u>357,448</u>	<u>1,205,004</u>	<u>263,509</u>	<u>483,968</u>	<u>2,685,949</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>60,798</u>	<u>(19,370)</u>	<u>(86,949)</u>	<u>15,839</u>	<u>(84,974)</u>	<u>(114,656)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	77,453	77,453
Transfers Out	(77,453)	-	-	-	-	(77,453)
Advances In	19,870	-	-	-	19,870	39,740
Advances Out	(19,870)	-	-	-	(19,870)	(39,740)
<i>Total Other Financing Sources (Uses)</i>	<u>(77,453)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,453</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(16,655)</u>	<u>(19,370)</u>	<u>(86,949)</u>	<u>15,839</u>	<u>(7,521)</u>	<u>(114,656)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,340,048</u>	<u>217,148</u>	<u>619,130</u>	<u>29,567</u>	<u>186,243</u>	<u>2,392,136</u>
<i>Restricted</i>	-	197,778	532,181	45,406	161,412	936,777
<i>Committed</i>	-	-	-	-	17,310	17,310
<i>Assigned</i>	1,196	-	-	-	-	1,196
<i>Unassigned</i>	1,325,197	-	-	-	-	1,325,197
<i>Fund Balances End of Year</i>	<u>\$ 1,323,393</u>	<u>\$ 197,778</u>	<u>\$ 532,181</u>	<u>\$ 45,406</u>	<u>\$ 178,722</u>	<u>\$ 2,277,480</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 180,650	\$ 180,650	\$ 192,336	\$ 11,686
Licenses, Permits and Fees	88,000	134,516	90,294	(44,222)
Fines and Forfeitures	7,050	7,050	12,755	5,705
Intergovernmental	109,465	109,465	127,800	18,335
Interest	1,400	1,400	722	(678)
Other	1,500	1,500	12,911	11,411
<i>Total Receipts</i>	<u>388,065</u>	<u>434,581</u>	<u>436,818</u>	<u>2,237</u>
<b>Disbursements</b>				
Current:				
General Government	348,813	340,442	247,374	93,068
Public Safety	3,500	3,500	2,628	872
Public Works	98,950	103,337	83,289	20,048
Health	40,000	17,466	16,647	819
Conservation-Recreation	7,000	7,000	4,370	2,630
Capital Outlay	36,604	50,802	22,908	27,894
<i>Total Disbursements</i>	<u>534,867</u>	<u>522,547</u>	<u>377,216</u>	<u>145,331</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(146,802)</u>	<u>(87,966)</u>	<u>59,602</u>	<u>147,568</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(77,453)	(77,453)	(77,453)	-
Advances In	-	-	19,870	19,870
Advances Out	-	-	(19,870)	(19,870)
<i>Total Other Financing Sources (Uses)</i>	<u>(77,453)</u>	<u>(77,453)</u>	<u>(77,453)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(224,255)	(165,419)	(17,851)	147,568
<i>Unencumbered Fund Balance Beginning of Year</i>	1,321,045	1,321,045	1,321,045	-
Prior Year Encumbrances Appropriated	19,003	19,003	19,003	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 1,115,793</u>	<u>\$ 1,174,629</u>	<u>\$ 1,322,197</u>	<u>\$ 147,568</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 276,000	\$ 276,000	\$ 291,235	\$ 15,235
Intergovernmental	38,000	38,000	46,125	8,125
Other	-	-	718	718
<i>Total Receipts</i>	<u>314,000</u>	<u>314,000</u>	<u>338,078</u>	<u>24,078</u>
<b>Disbursements</b>				
Current:				
Public Works	411,809	384,840	345,296	39,544
Capital Outlay	-	10,716	10,716	-
Debt Service:				
Principal Retirement	-	4,444	4,444	-
Interest and Fiscal Charges	893	-	-	-
<i>Total Disbursements</i>	<u>412,702</u>	<u>400,000</u>	<u>360,456</u>	<u>39,544</u>
<i>Net Change in Fund Balance</i>	(98,702)	(86,000)	(22,378)	63,622
<i>Unencumbered Fund Balance Beginning of Year</i>	204,406	204,406	204,406	-
Prior Year Encumbrances Appropriated	<u>12,742</u>	<u>12,742</u>	<u>12,742</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 118,446</u>	<u>\$ 131,148</u>	<u>\$ 194,770</u>	<u>\$ 63,622</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, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 867,541	\$ 867,541	\$ 931,889	\$ 64,348
Charges for Services	50	50	-	(50)
Intergovernmental	118,459	118,459	162,721	44,262
Other	500	500	23,445	22,945
<i>Total Receipts</i>	<u>986,550</u>	<u>986,550</u>	<u>1,118,055</u>	<u>131,505</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,276,464	1,216,679	1,167,596	49,083
Capital Outlay	-	34,696	-	34,696
Debt Service:				
Principal Retirement	27,200	45,998	45,244	754
Interest and Fiscal Charges	2,500	2,627	2,207	420
<i>Total Disbursements</i>	<u>1,306,164</u>	<u>1,300,000</u>	<u>1,215,047</u>	<u>84,953</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(319,614)	(313,450)	(96,992)	216,458
<i>Unencumbered Fund Balance Beginning of Year</i>	600,950	600,950	600,950	-
Prior Year Encumbrances Appropriated	18,180	18,180	18,180	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 299,516</u>	<u>\$ 305,680</u>	<u>\$ 522,138</u>	<u>\$ 216,458</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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 241,178	\$ 223,900	\$ 242,793	\$ 18,893
Intergovernmental	22,800	30,000	36,555	6,555
<i>Total Receipts</i>	263,978	253,900	279,348	25,448
<b>Disbursements</b>				
Current:				
Public Safety	278,809	263,900	263,509	391
<i>Excess of Receipts Over (Under) Disbursements</i>	(14,831)	(10,000)	15,839	25,839
<i>Unencumbered Fund Balance Beginning of Year</i>	29,567	29,567	29,567	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 14,736</u>	<u>\$ 19,567</u>	<u>\$ 45,406</u>	<u>\$ 25,839</u>

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

**St. Clair Township**  
**Columbiana County, Ohio**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014

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**Note 1 – Reporting Entity**

St. Clair Township, Columbiana County, Ohio, (the Township), is a body politic and corporate established on March 5, 1805 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, to ensure that the financial statements are not misleading.

***Primary Government***

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

The Township participates in a public entity risk pool, the Ohio Township Association Risk Management Authority (OTARMA), see Note 6 for more information.

The financial statements exclude the following entities which perform activities within the Township's boundaries for the benefit of its residents because the Township is not financially accountable for these entities nor are they fiscally dependent on the Township:

*Calcutta Volunteer Fire Department Association*  
*Glenmoor Volunteer Fire Department Association*

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in this note, these financial statements are presented on a modified cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. Following are the more significant of the Township's accounting policies.

***Basis of Presentation***

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



**St. Clair Township**  
**Columbiana County, Ohio**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014

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***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township has no business-type activities.

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

***Fund Financial Statements***

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

***Fund Accounting***

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All Township funds are classified 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 accounts for and reports all financial resources not accounted for and reported 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.

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Road & Bridge Fund - The road and bridge fund accounts for and reports property tax committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

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 and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

***Cash and Investments***

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2015 and 2014, the Township invested in STAR Ohio and a high yield savings account.

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, 2015 and December 31, 2014.

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 2015 was \$1,284 and \$722 for 2014.

***Inventory and Prepaid Items***

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

***Capital Assets***

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

***Interfund Receivables/Payables***

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

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***Accumulated Leave***

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

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

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

***Long-Term Obligations***

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

***Net Position***

Net position is 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. Net position restricted for other purposes include resources restricted for fire and police protection. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

***Fund Balance***

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

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

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

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

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

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

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

***Interfund Transactions***

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

**Note 3 – 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 \$1,333 for the General Fund and \$10,296 for major special revenue funds for 2015. The encumbrances outstanding at year end (budgetary basis) amounted to \$1,196 for the General Fund and \$13,051 for major special revenue funds for 2014.

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**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).

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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.

***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, 2015 and 2014 the bank balances were \$190,423 and \$115,418 respectively, of the Township’s bank balances none exposed to custodial credit risk because all deposits were insured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Township’s name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

***Investments***

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

As of December 31, 2015 and 2014, the Township had the following investments

	<u>2015</u> <u>Carrying Value</u>	<u>2014</u> <u>Carrying Value</u>	<u>Maturity</u>
JP Morgan Chase Bank			
High Yield Savings - Public Funds	\$1,167,719	\$1,367,367	1 Day
STAR Ohio	<u>953,464</u>	<u>952,452</u>	1 Day
	\$2,121,183	\$2,318,819	

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.

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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 2015 and 2014 represent the collection of 2014 and 2013 taxes. Real property taxes received in 2015 and 2014 were levied after October 1, 2013, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2015 and 2014 represent the collection of 2014 and 2013 taxes. Public utility real and tangible personal property taxes received in 2015 and 2014 became a lien on December 31, 2014 and 2013, were levied after October 1, 2014 and 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The full tax rate for all Township operations for the year ended December 31, 2015 and 2014 was \$18.20 per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2015 and 2014 property tax receipts were based are as follows:

	2015	2014
Real Property		
Residential/Agricultural	\$ 105,133,570	\$ 104,648,050
Other Real	34,986,890	34,739,660
PUCO Personal	7,361,780	7,000,360
Residential/Ag New Construction	280,760	564,590
Other New Construction	385,520	212,830
		\$ -
Total Assessed Value	\$ 148,148,520	\$ 147,165,490



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**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. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.) (York Management), functions as the administrator of the Pool and provides underwriting, claims, loss control, risk management, and reinsurance services for the Pool. 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 and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014 (the latest information available):

	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets	\$37,313,311	\$35,970,263
Liabilities	<u>(8,418,518)</u>	<u>(8,912,432)</u>
Net Position	<u>\$28,894,793</u>	<u>\$27,057,831</u>

At December 31, 2015 and 2014, respectively, the liabilities above include approximately \$7.8 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.7 and \$7.2 million of unpaid claims to be billed to approximately 989 members and 957 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township’s share of these unpaid claims collectible in future years is approximately \$17,000.

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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.

<b><u>Contributions to OTARMA</u></b>		
<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
\$31,220	\$30,358	\$31,373

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

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Plan Description – The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which 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 pension 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. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2015 and 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2015 and 2014 member contribution rates were 10.0 percent of covered payroll for members in state and local classifications, respectively. Public safety and law enforcement members contributed 12 and 13 percent,

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respectively in 2015 and 2014.

The 2015 and 2014 employer contribution rate for state and local employers was 14.0 percent of covered payroll. The law enforcement and public safety employer contribution rate was 18.10 percent of earnable salary.

The Township's required contributions for pension obligations to all plans for the years ended December 31, 2015, 2014 and 2013 were \$105,893, \$108,279 and \$122,520 respectively. The full amount has been contributed for all three years.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This accounting standard replaces GASB Statement No. 27, and is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

#### **Note 8 – Postemployment Benefits**

##### ***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (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 and the combined plan is a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or calling (614) 222-5601 or (800) 222-7377.

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Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015 and 2014, state and local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS' maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the traditional plan was 2.0 percent during calendar year 2015 and 2014. As recommended by OPERS' actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2016 remained at 2 percent for both plans. The Board is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$17,649, \$18,046 and \$9,450 respectively. The full amount has been contributed for all three years.

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**Note 9 – Debt**

The Township’s long-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

Governmental Activities	Interest Rate	Principal Outstanding			Principal Outstanding			Principal Outstanding 12/31/2015
		12/31/2013	Additions	Deductions	12/31/2014	Additions	Deductions	
2008 Tax increment Revenue Bonds	5.18%	\$ 655,968	\$ -	\$ 131,213	\$ 524,755	\$ -	\$ 131,194	\$ 393,561
2012 Administrative Bldg	4.25%	413,574	-	60,603	352,971	-	63,487	289,484
2012 - (2) Police Interceptors	6.00%	17,873	-	17,873	-	-	-	-
2013 - 2014 Ford Explorer Loan - Police	6.50%	17,441	-	8,446	8,995	-	8,995	-
2014 - (2) 2015 Police Interceptors	6.00%	-	53,621	18,925	34,696	-	16,843	17,853
2014 - Case CX55B Excavator	2.26%	-	54,930	18,721	36,209	-	17,902	18,307
2015 - Radios & Wireless Infrastructure		-	-	-	-	32,844	-	32,844
		<u>\$ 1,104,856</u>	<u>\$ 108,551</u>	<u>\$ 255,781</u>	<u>\$ 957,626</u>	<u>\$ 32,844</u>	<u>\$ 238,421</u>	<u>\$ 752,049</u>

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

Year	General Obligation Notes		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 66,244	\$ 11,208	\$ 131,196	\$ 20,388
2017	69,190	8,262	131,196	13,592
2018	72,231	4,221	131,169	6,796
2019	75,406	2,047	-	-
2019	6,413	23	-	-
<b>Totals</b>	<u>\$ 289,484</u>	<u>\$ 25,761</u>	<u>\$ 393,561</u>	<u>\$ 40,776</u>

Year	Police Interceptors Loan		Excavator Loan	
	Principal	Interest	Principal	Interest
2016	\$ 17,853	\$ 1,071	\$ 18,307	\$ 414
<b>Totals</b>	<u>\$ 17,853</u>	<u>\$ 1,071</u>	<u>\$ 18,307</u>	<u>\$ 414</u>

Year	Radios & Wireless Infrastructure	
	Principal	Interest
2016	\$ 10,193	\$ 2,374
2017	10,930	1,637
2018	11,721	847
<b>Totals</b>	<u>\$ 32,844</u>	<u>\$ 4,858</u>

The 2014 loan for two police interceptors was issued for \$53,621 at a rate of 6.50 percent and will be paid off in 2016.

The 2014 loan for the Case CX55B excavator was issued for \$54,930 at a rate of 2.26 percent and will be paid off in 2016.

**St. Clair Township**  
**Columbiana County, Ohio**

Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014

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The 2015 loan for radios and wireless infrastructure was issued for \$32,844 and will be paid off in 2018.

**Note 10 – Interfund Transfers**

During 2015 and 2014, the General Fund transferred \$77,453 and \$77,453, respectively to the note retirement debt service fund. These transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 11 – Public Entity Risk Pool**

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

**Note – 12 Other Commitments**

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

<u>Fund</u>	<u>Year-End</u>	
	<u>Encumbrances</u>	
	<u>2015</u>	<u>2014</u>
General	\$ 1,333	\$ 1,196
Road & Bridge	1,796	3,008
Police Levy	8,500	10,043
	<u>\$ 11,629</u>	<u>\$ 14,247</u>



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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Clair Township, Columbiana County, (the Entity) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements and have issued our report thereon dated July 29, 2016.

**Internal Control Over Financial Reporting**

As part of our financial statement audit, we considered the Entity's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Entity's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Entity's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

**Compliance and Other Matters**

As part of reasonably assuring whether the Entity'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, opining 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*.

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Entity's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Canter & Associates**

Poland, Ohio

July 29, 2016





# Dave Yost • Auditor of State

**ST CLAIR TOWNSHIP**

**COLUMBIANA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 25, 2016**