

**Scioto Township  
Pike County**

Regular Audit

For the Years Ended December 31, 2009 and 2008  
Fiscal Years Audited Under GAGAS: 2009 and 2008



**Balestra, Harr & Scherer, CPAs, Inc.**

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528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639  
800 Gallia Street, Suite 38, Portsmouth, Ohio 45662 Phone: 740.876.9121 Fax: 800.210.2573





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Scioto Township  
1851 Bailey Chapel Road  
Beaver, Ohio 45613

We have reviewed the *Independent Auditor's Report* of Scioto Township, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., 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. Scioto Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 10, 2010

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Scioto Township  
Pike County, Ohio  
For the Years Ended December 31, 2009 and 2008  
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Pike County, Ohio  
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## Independent Auditor's Report

Board of Trustees  
Scioto Township  
Pike County  
1851 Bailey Chapel Road  
Beaver, Ohio 45613

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pike 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 opinions on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pike County, Ohio as of December 31, 2009 and 2008, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, and Major Special Revenue Funds, for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 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.

Board of Trustees  
Scioto Township  
Independent Auditors' Report

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.



Balestra, Harr & Scherer, CPAs, Inc.

March 11, 2010

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

This discussion and analysis of Scioto Township's (the Township) 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 of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2009 and 2008 are as follows:

Net assets of governmental funds decreased \$14,635, or 3.89 percent in 2009. Net assets of governmental funds decreased \$53,228, or 12.41 percent in 2008. The greatest burden of increased costs in 2009 and 2008 were the payments for each year on the lease purchase agreement for the truck.

The Township's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs. These receipts represent 8.89 percent and 37.37 percent, respectively, of the total cash received for governmental activities during 2009 and 10.54 percent and 35.17 percent, respectively, of the total cash received for governmental activities during 2008. Property tax receipts for 2009 and 2008 changed little as development within the Township has slowed.

The Township purchased a new tanker/pumper truck in 2006 on a lease purchase agreement. The total purchase price was \$136,202. The township paid \$25,000 down and paid \$40,842 in 2009 and \$40,841 in 2008. The final payment was made in 2009.

**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 determines 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.

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, 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's end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

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

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

Governmental activities. All of the Township's basic services are reported here. State grants and property and gasoline taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

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

Governmental Funds – All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2009 and 2008, the Township's major governmental funds are the General Fund, Gasoline Tax Fund, and Road and Bridge Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

**The Township as a Whole**

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

(Table 1)

|                             | Governmental Activities |           |           |
|-----------------------------|-------------------------|-----------|-----------|
|                             | 2009                    | 2008      | 2007      |
| <b>Assets</b>               |                         |           |           |
| Equity and Cash Equivalent: | \$361,182               | \$375,817 | \$429,045 |
| Total Assets                | \$361,182               | \$375,817 | \$429,045 |
| <b>Net Assets</b>           |                         |           |           |
| Restricted for:             |                         |           |           |
| Other Purposes              | 175,657                 | 158,358   | 179,256   |
| Unrestricted                | 185,525                 | 217,459   | 249,789   |
| Total Net Assets            | \$361,182               | \$375,817 | \$429,045 |

As mentioned previously, net assets of governmental activities decreased \$14,635, or 3.89 percent in 2009 and decreased \$53,228, or 12.41 percent in 2008. The primary reasons contributing to the decreases in cash balances was the continued upgrading of all township and fire department equipment, debt payments for new truck and a chip and seal project for the Township roads.

Table 2 reflects the changes in nets assets in 2009, 2008 and 2007. Listed below is a comparative analysis of government-wide data.

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

|                                                                | Governmental<br>Activities<br>2009 | Governmental<br>Activities<br>2008 | Governmental<br>Activities<br>2007 |
|----------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Receipts</b>                                                |                                    |                                    |                                    |
| <b>Program Receipts:</b>                                       |                                    |                                    |                                    |
| Charges for Services                                           | \$ 950                             | \$ 2,000                           | \$ 4,875                           |
| Operating Grants and Contributions                             | 131,523                            | 114,775                            | 117,023                            |
| Total Program Receipts                                         | 132,473                            | 116,775                            | 121,898                            |
| <b>General Receipts:</b>                                       |                                    |                                    |                                    |
| Property Taxes                                                 | 26,716                             | 29,819                             | 35,812                             |
| Payment in Lieu of Taxes                                       | 20,000                             | 20,000                             | 20,000                             |
| Grants and Entitlements Not Restricted<br>to Specific Programs | 112,274                            | 99,537                             | 72,277                             |
| Interest                                                       | 7,315                              | 15,923                             | 16,339                             |
| Miscellaneous                                                  | 1,669                              | 974                                | 13,689                             |
| Total General Receipts                                         | 167,974                            | 166,253                            | 158,117                            |
| Total Receipts                                                 | 300,447                            | 283,028                            | 280,015                            |

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

(Table 2)  
**Change in Net Assets**  
(Continued)

|                                       | Governmental<br>Activities<br><u>2009</u> | Governmental<br>Activities<br><u>2008</u> | Governmental<br>Activities<br><u>2007</u> |
|---------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Disbursements:                        |                                           |                                           |                                           |
| General Government                    | 124,255                                   | 126,659                                   | 109,253                                   |
| Public Safety                         | 21,252                                    | 17,245                                    | 12,933                                    |
| Public Works                          | 123,733                                   | 150,774                                   | 124,200                                   |
| Health                                | 5,000                                     | 737                                       | 2,200                                     |
| Debt Service                          |                                           |                                           |                                           |
| Principal Retirement                  | 38,894                                    | 37,037                                    | 35,271                                    |
| Interest and Fiscal Charges           | 1,948                                     | 3,804                                     | 5,571                                     |
| Total Disbursements                   | <u>315,082</u>                            | <u>336,256</u>                            | <u>289,428</u>                            |
| <br>Increase (Decrease) in Net Assets | <br>(14,635)                              | <br>(53,228)                              | <br>(9,413)                               |
| <br>Net Assets, January 1             | <br><u>375,817</u>                        | <br><u>429,045</u>                        | <br><u>438,458</u>                        |
| Net Assets, December 31               | <u><u>\$361,182</u></u>                   | <u><u>\$375,817</u></u>                   | <u><u>\$429,045</u></u>                   |

Program receipts represent only 44.09 percent of total receipts in 2009 and 41.26 percent of total receipts in 2008 and are primarily comprised of restricted intergovernmental receipts.

General receipts represent 55.91 percent of the Township's total receipts for 2009 and 58.74 percent of the Township's total receipts for 2008, and of this amount, 15.90 percent are property and other local taxes in 2009 and 17.94 percent are property and other local taxes in 2008. Revenue in lieu of taxes, grants and entitlements not restricted to specific programs, interest, and miscellaneous receipts make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources. Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

**Governmental Activities**

If you look at the Statement of Activities on pages 10 and 17, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public works, and debt service, which account for 91.67 and 94.65 percent of all government disbursements, for 2009 and 2008 respectively. The next two 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.

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

(Table 3)  
**Governmental Activities**

|                             | Total Cost<br>of Services<br>2009 | Net Cost<br>of Services<br>2009 | Total Cost<br>of Services<br>2008 | Net Cost<br>of Services<br>2008 |
|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| General Government          | \$ 124,255                        | \$ (124,255)                    | \$ 126,659                        | \$ (126,659)                    |
| Public Safety               | 21,252                            | (21,252)                        | 17,245                            | (17,245)                        |
| Public Works                | 123,733                           | 7,790                           | 150,774                           | (35,999)                        |
| Health                      | 5,000                             | (4,050)                         | 737                               | 1,263                           |
| Debt Service:               |                                   |                                 |                                   |                                 |
| Principal Retirement        | 38,894                            | (38,894)                        | 37,037                            | (37,037)                        |
| Interest and Fiscal Charges | 1,948                             | (1,948)                         | 3,804                             | (3,804)                         |
| Total Expenses              | <u>\$ 315,082</u>                 | <u>\$ (182,609)</u>             | <u>\$ 336,256</u>                 | <u>\$ (219,481)</u>             |

**The Township's Funds**

Total governmental funds had receipts of \$300,447 and disbursements of \$315,082 in 2009 and had receipts of \$283,028 and disbursements of \$336,256 in 2008. In 2009 and 2008, there were no great changes within governmental funds. The greatest change within governmental funds occurred within the General Fund in 2009 and 2008. In 2009 the fund balance of the General fund decreased \$25,900 primarily as the result of debt payments made on a new truck. The fund balance of the Gasoline fund decreased by \$8,488 in 2009 primarily due to an excess of cash disbursements over cash receipts. The fund balance of the Road & Bridge fund increased by \$22,311 in 2009 primarily due to a reduction in cash disbursements.

The fund balance of the General fund decreased by \$38,364 in 2008 primarily as the result of debt payments made on a new truck. The fund balance of the Gasoline fund decreased \$2,641 primarily due to an excess of cash disbursements over cash receipts. The Fund balance of the Road & Bridge fund decreased by \$11,393 in 2008 primarily due to an increase in cash disbursements.

**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 did not amend its General Fund budget.

In 2009, final disbursements were budgeted at \$332,000 while actual disbursements were \$186,349. Although receipts exceeded expectations, appropriations were not increased.

In 2008, final disbursements were budgeted at \$332,000 while actual disbursements were \$195,206. Although receipts exceeded expectations, appropriations were not increased.

**Debt**

At December 31, 2007, the Township had a lease-purchase agreement to purchase a fire truck. The lease-purchase agreement was paid off in 2009.

Scioto Township, Pike County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2009 and 2008

**Current Financial Related Activities**

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. As we have stated previously all upgrading of township and fire department equipment is complete, and paid for, all buildings are built and paid for so we feel we are in good shape financially.

**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 Jaime Steffy, Fiscal Officer, Scioto Township, 1851 Bailey Chapel Rd., Beaver, Ohio 45613.

**Scioto Township, Pike County**  
*Statement of Net Assets - Cash Basis*  
*As of December 31, 2009*

|                                            | Governmental<br>Activities |
|--------------------------------------------|----------------------------|
| <b>Assets</b>                              |                            |
| Equity in Pooled Cash and Cash Equivalents | \$ 361,182                 |
| <i>Total Assets</i>                        | \$ 361,182                 |
| <b>Net Assets</b>                          |                            |
| Restricted for:                            |                            |
| Gasoline Tax                               | \$ 58,519                  |
| Road & Bridge                              | 107,303                    |
| Other Purposes                             | 9,835                      |
| Unrestricted                               | 185,525                    |
| <i>Total Net Assets</i>                    | \$ 361,182                 |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2009*

|                                                             | Program Cash Receipts |                                   |                                       | Net (Disbursements)<br>Receipts and Changes<br>in Net Assets |
|-------------------------------------------------------------|-----------------------|-----------------------------------|---------------------------------------|--------------------------------------------------------------|
|                                                             | Cash<br>Disbursements | Charges for Services<br>and Sales | Operating Grants<br>and Contributions | Governmental<br>Activities                                   |
| <b>Governmental Activities</b>                              |                       |                                   |                                       |                                                              |
| General Government                                          | \$ 124,255            | \$ -                              | \$ -                                  | \$ (124,255)                                                 |
| Public Safety                                               | 21,252                | -                                 | -                                     | (21,252)                                                     |
| Public Works                                                | 123,733               | -                                 | 131,523                               | 7,790                                                        |
| Health                                                      | 5,000                 | 950                               | -                                     | (4,050)                                                      |
| Debt Service:                                               |                       |                                   |                                       |                                                              |
| Principal                                                   | 38,894                | -                                 | -                                     | (38,894)                                                     |
| Interest                                                    | 1,948                 | -                                 | -                                     | (1,948)                                                      |
| <i>Total Governmental Activities</i>                        | <u>\$ 315,082</u>     | <u>\$ 950</u>                     | <u>\$ 131,523</u>                     | (182,609)                                                    |
| <b>General Receipts</b>                                     |                       |                                   |                                       |                                                              |
| Property Taxes                                              |                       |                                   |                                       | 26,716                                                       |
| Payment in Lieu of Taxes                                    |                       |                                   |                                       | 20,000                                                       |
| Grants and Entitlements not Restricted to Specific Programs |                       |                                   |                                       | 112,274                                                      |
| Interest                                                    |                       |                                   |                                       | 7,315                                                        |
| Miscellaneous                                               |                       |                                   |                                       | 1,669                                                        |
| <i>Total General Receipts</i>                               |                       |                                   |                                       | <u>167,974</u>                                               |
| Change in Net Assets                                        |                       |                                   |                                       | (14,635)                                                     |
| <i>Net Assets - Beginning of Year</i>                       |                       |                                   |                                       | <u>375,817</u>                                               |
| <i>Net Assets - End of Year</i>                             |                       |                                   |                                       | <u>\$ 361,182</u>                                            |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2009*

|                                            | General<br>Fund   | Gasoline Tax<br>Fund | Road & Bridge<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------|-------------------|----------------------|-----------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                              |                   |                      |                       |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$ 185,525        | \$ 58,519            | \$ 107,303            | \$ 9,835                       | \$ 361,182                     |
| <i>Total Assets</i>                        | <u>\$ 185,525</u> | <u>\$ 58,519</u>     | <u>\$ 107,303</u>     | <u>\$ 9,835</u>                | <u>\$ 361,182</u>              |
| <b>Fund Balances</b>                       |                   |                      |                       |                                |                                |
| Unreserved:                                |                   |                      |                       |                                |                                |
| Undesignated (Deficit), Reported in:       |                   |                      |                       |                                |                                |
| General Fund                               | \$ 185,525        | \$ -                 | \$ -                  | \$ -                           | \$ 185,525                     |
| Special Revenue Funds                      | -                 | 58,519               | 107,303               | 9,835                          | 175,657                        |
| <i>Total Fund Balances</i>                 | <u>\$ 185,525</u> | <u>\$ 58,519</u>     | <u>\$ 107,303</u>     | <u>\$ 9,835</u>                | <u>\$ 361,182</u>              |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2009

|                                                        | General<br>Fund   | Gasoline Tax<br>Fund | Road & Bridge<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------|-------------------|----------------------|-----------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                                        |                   |                      |                       |                                |                                |
| Property and Other Local Taxes                         | \$ 19,592         | \$ -                 | \$ 7,124              | \$ -                           | \$ 26,716                      |
| Payment in Lieu of Taxes                               | 20,000            | -                    | -                     | -                              | 20,000                         |
| Charges for Services                                   | -                 | -                    | -                     | 950                            | 950                            |
| Intergovernmental                                      | 112,274           | 95,161               | 32,828                | 3,534                          | 243,797                        |
| Interest                                               | 6,914             | 401                  | -                     | -                              | 7,315                          |
| Miscellaneous                                          | 1,669             | -                    | -                     | -                              | 1,669                          |
| <i>Total Receipts</i>                                  | <u>160,449</u>    | <u>95,562</u>        | <u>39,952</u>         | <u>4,484</u>                   | <u>300,447</u>                 |
| <b>Disbursements</b>                                   |                   |                      |                       |                                |                                |
| Current:                                               |                   |                      |                       |                                |                                |
| General Government                                     | 124,255           | -                    | -                     | -                              | 124,255                        |
| Public Safety                                          | 21,252            | -                    | -                     | -                              | 21,252                         |
| Public Works                                           | -                 | 104,050              | 17,641                | 2,042                          | 123,733                        |
| Health                                                 | -                 | -                    | -                     | 5,000                          | 5,000                          |
| Debt Service:                                          |                   |                      |                       |                                |                                |
| Principal Retirement                                   | 38,894            | -                    | -                     | -                              | 38,894                         |
| Interest and Fiscal Charges                            | 1,948             | -                    | -                     | -                              | 1,948                          |
| <i>Total Disbursements</i>                             | <u>186,349</u>    | <u>104,050</u>       | <u>17,641</u>         | <u>7,042</u>                   | <u>315,082</u>                 |
| <i>Excess of Receipts Over / (Under) Disbursements</i> | (25,900)          | (8,488)              | 22,311                | (2,558)                        | (14,635)                       |
| <i>Fund Balances - Beginning of Year</i>               | <u>211,425</u>    | <u>67,007</u>        | <u>84,992</u>         | <u>12,393</u>                  | <u>375,817</u>                 |
| <i>Fund Balances - End of Year</i>                     | <u>\$ 185,525</u> | <u>\$ 58,519</u>     | <u>\$ 107,303</u>     | <u>\$ 9,835</u>                | <u>\$ 361,182</u>              |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2009*

|                                       | <u>Budgeted Amounts</u> |                  |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|-------------------|---------------------------------------------------------|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>     |                                                         |
| <b>Receipts</b>                       |                         |                  |                   |                                                         |
| Property Taxes                        | \$ 22,500               | \$ 22,500        | \$ 19,592         | \$ (2,908)                                              |
| Payment in Lieu of Taxes              | 20,000                  | 20,000           | 20,000            | -                                                       |
| Intergovernmental                     | 96,758                  | 96,758           | 112,274           | 15,516                                                  |
| Interest                              | 6,292                   | 6,292            | 6,914             | 622                                                     |
| Other                                 | 1,470                   | 1,470            | 1,669             | 199                                                     |
| <i>Total Receipts</i>                 | <u>147,020</u>          | <u>147,020</u>   | <u>160,449</u>    | <u>13,429</u>                                           |
| <b>Disbursements</b>                  |                         |                  |                   |                                                         |
| Current:                              |                         |                  |                   |                                                         |
| General Government                    | 217,000                 | 217,000          | 124,255           | 92,745                                                  |
| Public Safety                         | 39,158                  | 39,158           | 21,252            | 17,906                                                  |
| Public Works                          | 35,000                  | 35,000           | -                 | 35,000                                                  |
| Debt Service:                         |                         |                  |                   |                                                         |
| Principal Retirement                  | 38,894                  | 38,894           | 38,894            | -                                                       |
| Interest and Fiscal Charges           | 1,948                   | 1,948            | 1,948             | -                                                       |
| <i>Total Disbursements</i>            | <u>332,000</u>          | <u>332,000</u>   | <u>186,349</u>    | <u>145,651</u>                                          |
| <i>Net Change in Fund Balance</i>     | (184,980)               | (184,980)        | (25,900)          | 159,080                                                 |
| <i>Fund Balance Beginning of Year</i> | <u>211,425</u>          | <u>211,425</u>   | <u>211,425</u>    | <u>-</u>                                                |
| <i>Fund Balance End of Year</i>       | <u>\$ 26,445</u>        | <u>\$ 26,445</u> | <u>\$ 185,525</u> | <u>\$ 159,080</u>                                       |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2009*

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | Variance with                          |
|---------------------------------------|-------------------------|------------------|------------------|----------------------------------------|
|                                       | <u>Original</u>         | <u>Final</u>     |                  | Final Budget<br>Positive<br>(Negative) |
| <b>Receipts</b>                       |                         |                  |                  |                                        |
| Intergovernmental                     | \$ 90,000               | \$ 90,000        | \$ 95,161        | \$ 5,161                               |
| Interest                              | 800                     | 800              | 401              | (399)                                  |
| <i>Total Receipts</i>                 | <u>90,800</u>           | <u>90,800</u>    | <u>95,562</u>    | <u>4,762</u>                           |
| <b>Disbursements</b>                  |                         |                  |                  |                                        |
| Current:                              |                         |                  |                  |                                        |
| Public Works                          | 140,000                 | 140,000          | 104,050          | 35,950                                 |
| <i>Total Disbursements</i>            | <u>140,000</u>          | <u>140,000</u>   | <u>104,050</u>   | <u>35,950</u>                          |
| <i>Net Change in Fund Balance</i>     | (49,200)                | (49,200)         | (8,488)          | 40,712                                 |
| <i>Fund Balance Beginning of Year</i> | <u>67,007</u>           | <u>67,007</u>    | <u>67,007</u>    | <u>-</u>                               |
| <i>Fund Balance End of Year</i>       | <u>\$ 17,807</u>        | <u>\$ 17,807</u> | <u>\$ 58,519</u> | <u>\$ 40,712</u>                       |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Road and Bridge Fund  
 For the Year Ended December 31, 2009*

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|-------------------|-------------------------------------------------------------------|
|                                       | <u>Original</u>         | <u>Final</u>     |                   |                                                                   |
| <b>Receipts</b>                       |                         |                  |                   |                                                                   |
| Property Taxes                        | \$ 7,290                | \$ 7,290         | \$ 7,124          | \$ (166)                                                          |
| Intergovernmental                     | 26,000                  | 26,000           | 32,828            | 6,828                                                             |
| <i>Total Receipts</i>                 | <u>33,290</u>           | <u>33,290</u>    | <u>39,952</u>     | <u>6,662</u>                                                      |
| <b>Disbursements</b>                  |                         |                  |                   |                                                                   |
| Current:                              |                         |                  |                   |                                                                   |
| Public Works                          | \$ 98,000               | \$ 98,000        | \$ 17,641         | \$ 80,359                                                         |
| <i>Total Disbursements</i>            | <u>98,000</u>           | <u>98,000</u>    | <u>17,641</u>     | <u>80,359</u>                                                     |
| <i>Net Change in Fund Balance</i>     | <u>(64,710)</u>         | <u>(64,710)</u>  | <u>22,311</u>     | <u>87,021</u>                                                     |
| <i>Fund Balance Beginning of Year</i> | <u>84,992</u>           | <u>84,992</u>    | <u>84,992</u>     | <u>-</u>                                                          |
| <i>Fund Balance End of Year</i>       | <u>\$ 20,282</u>        | <u>\$ 20,282</u> | <u>\$ 107,303</u> | <u>\$ 87,021</u>                                                  |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Net Assets - Cash Basis*  
*As of December 31, 2008*

|                                            | Governmental<br>Activities |
|--------------------------------------------|----------------------------|
| <b>Assets</b>                              |                            |
| Equity in Pooled Cash and Cash Equivalents | \$ 375,817                 |
| <i>Total Assets</i>                        | \$ 375,817                 |
| <b>Net Assets</b>                          |                            |
| Restricted for:                            |                            |
| Gasoline Tax                               | \$ 67,007                  |
| Road & Bridge                              | 84,992                     |
| Other Purposes                             | 12,393                     |
| Unrestricted                               | 211,425                    |
| <i>Total Net Assets</i>                    | \$ 375,817                 |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2008*

|                                                             | Program Cash Receipts |                                   |                                       | Net (Disbursements)<br>Receipts and Changes<br>in Net Assets |
|-------------------------------------------------------------|-----------------------|-----------------------------------|---------------------------------------|--------------------------------------------------------------|
|                                                             | Cash<br>Disbursements | Charges for Services<br>and Sales | Operating Grants<br>and Contributions | Governmental<br>Activities                                   |
| <b>Governmental Activities</b>                              |                       |                                   |                                       |                                                              |
| General Government                                          | \$ 126,659            | \$ -                              | \$ -                                  | \$ (126,659)                                                 |
| Public Safety                                               | 17,245                | -                                 | -                                     | (17,245)                                                     |
| Public Works                                                | 150,774               | -                                 | 114,775                               | (35,999)                                                     |
| Health                                                      | 737                   | 2,000                             | -                                     | 1,263                                                        |
| Debt Service:                                               |                       |                                   |                                       |                                                              |
| Principal                                                   | 37,037                | -                                 | -                                     | (37,037)                                                     |
| Interest                                                    | 3,804                 | -                                 | -                                     | (3,804)                                                      |
| <i>Total Governmental Activities</i>                        | <u>\$ 336,256</u>     | <u>\$ 2,000</u>                   | <u>\$ 114,775</u>                     | (219,481)                                                    |
| <b>General Receipts</b>                                     |                       |                                   |                                       |                                                              |
| Property Taxes                                              |                       |                                   |                                       | 29,819                                                       |
| Payment in Lieu of Taxes                                    |                       |                                   |                                       | 20,000                                                       |
| Grants and Entitlements not Restricted to Specific Programs |                       |                                   |                                       | 99,537                                                       |
| Interest                                                    |                       |                                   |                                       | 15,923                                                       |
| Miscellaneous                                               |                       |                                   |                                       | 974                                                          |
| <i>Total General Receipts</i>                               |                       |                                   |                                       | <u>166,253</u>                                               |
| Change in Net Assets                                        |                       |                                   |                                       | (53,228)                                                     |
| <i>Net Assets - Beginning of Year</i>                       |                       |                                   |                                       | <u>429,045</u>                                               |
| <i>Net Assets - End of Year</i>                             |                       |                                   |                                       | <u>\$ 375,817</u>                                            |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2008*

|                                            | <u>General<br/>Fund</u> | <u>Gasoline Tax<br/>Fund</u> | <u>Road &amp; Bridge<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Assets</b>                              |                         |                              |                                   |                                         |                                         |
| Equity in Pooled Cash and Cash Equivalents | \$ 211,425              | \$ 67,007                    | \$ 84,992                         | \$ 12,393                               | \$ 375,817                              |
| <i>Total Assets</i>                        | <u>\$ 211,425</u>       | <u>\$ 67,007</u>             | <u>\$ 84,992</u>                  | <u>\$ 12,393</u>                        | <u>\$ 375,817</u>                       |
| <b>Fund Balances</b>                       |                         |                              |                                   |                                         |                                         |
| Unreserved:                                |                         |                              |                                   |                                         |                                         |
| Undesignated (Deficit), Reported in:       |                         |                              |                                   |                                         |                                         |
| General Fund                               | \$ 211,425              | \$ -                         | \$ -                              | \$ -                                    | \$ 211,425                              |
| Special Revenue Funds                      | -                       | 67,007                       | 84,992                            | 12,393                                  | 164,392                                 |
| <i>Total Fund Balances</i>                 | <u>\$ 211,425</u>       | <u>\$ 67,007</u>             | <u>\$ 84,992</u>                  | <u>\$ 12,393</u>                        | <u>\$ 375,817</u>                       |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2008*

|                                          | General<br>Fund   | Gasoline Tax<br>Fund | Road & Bridge<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------|-------------------|----------------------|-----------------------|--------------------------------|--------------------------------|
| <b>Receipts</b>                          |                   |                      |                       |                                |                                |
| Property Taxes                           | \$ 21,876         | \$ -                 | \$ 7,943              | \$ -                           | \$ 29,819                      |
| Payment in Lieu of Taxes                 | 20,000            | -                    | -                     | -                              | 20,000                         |
| Charges for Services                     | -                 | -                    | -                     | 2,000                          | 2,000                          |
| Intergovernmental                        | 99,537            | 84,613               | 26,510                | 3,652                          | 214,312                        |
| Interest                                 | 14,605            | 1,318                | -                     | -                              | 15,923                         |
| Miscellaneous                            | 824               | -                    | -                     | 150                            | 974                            |
| <i>Total Receipts</i>                    | <u>156,842</u>    | <u>85,931</u>        | <u>34,453</u>         | <u>5,802</u>                   | <u>283,028</u>                 |
| <b>Disbursements</b>                     |                   |                      |                       |                                |                                |
| Current:                                 |                   |                      |                       |                                |                                |
| General Government                       | 126,659           | -                    | -                     | -                              | 126,659                        |
| Public Safety                            | 17,245            | -                    | -                     | -                              | 17,245                         |
| Public Works                             | 10,461            | 88,572               | 45,846                | 5,895                          | 150,774                        |
| Health                                   | -                 | -                    | -                     | 737                            | 737                            |
| Debt Service:                            |                   |                      |                       |                                |                                |
| Principal Retirement                     | 37,037            | -                    | -                     | -                              | 37,037                         |
| Interest and Fiscal Charges              | 3,804             | -                    | -                     | -                              | 3,804                          |
| <i>Total Disbursements</i>               | <u>195,206</u>    | <u>88,572</u>        | <u>45,846</u>         | <u>6,632</u>                   | <u>336,256</u>                 |
| <i>Net Change in Fund Balances</i>       | (38,364)          | (2,641)              | (11,393)              | (830)                          | (53,228)                       |
| <i>Fund Balances - Beginning of Year</i> | <u>249,789</u>    | <u>69,648</u>        | <u>96,385</u>         | <u>13,223</u>                  | <u>429,045</u>                 |
| <i>Fund Balances - End of Year</i>       | <u>\$ 211,425</u> | <u>\$ 67,007</u>     | <u>\$ 84,992</u>      | <u>\$ 12,393</u>               | <u>\$ 375,817</u>              |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2008*

|                                       | <u>Budgeted Amounts</u> |                  |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|-------------------|---------------------------------------------------------|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>     |                                                         |
| <b>Receipts</b>                       |                         |                  |                   |                                                         |
| Property Taxes                        | \$ 20,700               | \$ 20,700        | \$ 21,876         | \$ 1,176                                                |
| Payment in Lieu of Taxes              | 20,000                  | 20,000           | 20,000            | -                                                       |
| Intergovernmental                     | 68,000                  | 68,000           | 99,537            | 31,537                                                  |
| Interest                              | 16,000                  | 16,000           | 14,605            | (1,395)                                                 |
| Other                                 | 5,020                   | 5,020            | 824               | (4,196)                                                 |
| <i>Total Receipts</i>                 | <u>129,720</u>          | <u>129,720</u>   | <u>156,842</u>    | <u>27,122</u>                                           |
| <b>Disbursements</b>                  |                         |                  |                   |                                                         |
| Current:                              |                         |                  |                   |                                                         |
| General Government                    | 217,000                 | 217,000          | 126,659           | 90,341                                                  |
| Public Safety                         | 39,159                  | 39,159           | 17,245            | 21,914                                                  |
| Public Works                          | 35,000                  | 35,000           | 10,461            | 24,539                                                  |
| Debt Service:                         |                         |                  |                   |                                                         |
| Principal Retirement                  | 37,037                  | 37,037           | 37,037            | -                                                       |
| Interest and Fiscal Charges           | 3,804                   | 3,804            | 3,804             | -                                                       |
| <i>Total Disbursements</i>            | <u>332,000</u>          | <u>332,000</u>   | <u>195,206</u>    | <u>136,794</u>                                          |
| <i>Net Change in Fund Balance</i>     | <u>(202,280)</u>        | <u>(202,280)</u> | <u>(38,364)</u>   | <u>163,916</u>                                          |
| <i>Fund Balance Beginning of Year</i> | <u>249,789</u>          | <u>249,789</u>   | <u>249,789</u>    | <u>-</u>                                                |
| <i>Fund Balance End of Year</i>       | <u>\$ 47,509</u>        | <u>\$ 47,509</u> | <u>\$ 211,425</u> | <u>\$ 163,916</u>                                       |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Gasoline Tax Fund  
 For the Year Ended December 31, 2008*

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---------------------------------------------------------|
|                                       | Original         | Final     |           |                                                         |
| <b>Receipts</b>                       |                  |           |           |                                                         |
| Intergovernmental                     | \$ 84,800        | \$ 84,800 | \$ 84,613 | \$ (187)                                                |
| Interest                              | 200              | 200       | 1,318     | 1,118                                                   |
| <i>Total Receipts</i>                 | 85,000           | 85,000    | 85,931    | 931                                                     |
| <b>Disbursements</b>                  |                  |           |           |                                                         |
| Current:                              |                  |           |           |                                                         |
| Public Works                          | 130,000          | 130,000   | 88,572    | 41,428                                                  |
| <i>Total Disbursements</i>            | 130,000          | 130,000   | 88,572    | 41,428                                                  |
| <i>Net Change in Fund Balance</i>     | (45,000)         | (45,000)  | (2,641)   | 42,359                                                  |
| <i>Fund Balance Beginning of Year</i> | 69,648           | 69,648    | 69,648    | -                                                       |
| <i>Fund Balance End of Year</i>       | \$ 24,648        | \$ 24,648 | \$ 67,007 | \$ 42,359                                               |

See accompanying notes to the basic financial statements.

**Scioto Township, Pike County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2008*

|                                       | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------|------------------|---------------------------------------------------------|
|                                       | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |                                                         |
| <b>Receipts</b>                       |                         |                  |                  |                                                         |
| Property Taxes                        | \$ 7,200                | \$ 7,200         | \$ 7,943         | \$ 743                                                  |
| Intergovernmental                     | 22,000                  | 22,000           | 26,510           | 4,510                                                   |
| <i>Total Receipts</i>                 | <u>29,200</u>           | <u>29,200</u>    | <u>34,453</u>    | <u>5,253</u>                                            |
| <b>Disbursements</b>                  |                         |                  |                  |                                                         |
| Current:                              |                         |                  |                  |                                                         |
| Public Works                          | 98,000                  | 98,000           | 45,846           | 52,154                                                  |
| <i>Total Disbursements</i>            | <u>98,000</u>           | <u>98,000</u>    | <u>45,846</u>    | <u>52,154</u>                                           |
| <i>Net Change in Fund Balance</i>     | (68,800)                | (68,800)         | (11,393)         | 57,407                                                  |
| <i>Fund Balance Beginning of Year</i> | <u>96,385</u>           | <u>96,385</u>    | <u>96,385</u>    | <u>-</u>                                                |
| <i>Fund Balance End of Year</i>       | <u>\$ 27,585</u>        | <u>\$ 27,585</u> | <u>\$ 84,992</u> | <u>\$ 57,407</u>                                        |

See accompanying notes to the basic financial statements.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 1 – Reporting Entity**

Scioto Township, Pike County, Ohio (the Township), is a body politic and corporate established in 1880 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government and other organizations that were included 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 government services, maintenance of Township roads and bridges, fire protection and cemetery maintenance.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to , the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Since the Township does not have any business-type receipts or activities all statements are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all governmental funds.

**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 – This 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.

Gasoline Tax Fund – This fund receives gasoline tax money for constructing, maintaining and repairing township roads and bridges.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining and repairing township roads and bridges.

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

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

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

**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 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 funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 resolution 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 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. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution 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 resolution 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".

During 2009 and 2008, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State. Interest receipts credited to the General Fund during 2009 and 2008 was \$6,914 and \$14,605, respectively. Interest receipts credited to the Gasoline Tax Fund during 2009 and 2008 was \$401 and \$1,318, respectively.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

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

**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.

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

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. 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 and interest payments are reported when paid.

**J. 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. Net assets restricted for other purposes include resources restricted for grants whose purpose is restricted. 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.

**Note 3 – Compliance**

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

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. There were no differences between the budgetary basis and the cash basis since there are no outstanding year end encumbrances.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 5 – Deposits and Investments**

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

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

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

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 5 – Deposits and Investments** (continued)

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.

**Deposits**

Custodial credit risk 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, \$116,544 of the Township's bank balance of \$366,544 was 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. At December 31, 2008, \$129,234 of the Township's bank balance of \$379,234 was 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.

**Note 6 – 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 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, 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.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, 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 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2009 and 2008 is zero percent and 6.25 percent, respectively. 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.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 6 – Property Taxes** (continued)

The full tax rate for all Township operations for the year ended December 31, 2009 and 2008, was \$1.50 per \$1,000 of assessed value. The assessed values of real property and personal property upon which 2009 and 2008 property tax receipts were based are as follows:

|                            | 2009          | 2008          |
|----------------------------|---------------|---------------|
| Real Property              | \$ 11,606,030 | \$ 11,446,210 |
| Public Utility Property    | 1,086,700     | 8,239,210     |
| Tangible Personal Property | 37,710        | 29,250        |
| Total Assessed Values      | \$ 12,730,440 | \$ 19,714,670 |

**Note 7 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006 the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses.

Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 7 – Risk Management** (continued)

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined member' total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses

Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2008 was \$2,032,316.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with the generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the most current information available):

|                   | 2008         | 2007         |
|-------------------|--------------|--------------|
| Assets            | \$40,737,740 | \$43,210,703 |
| Liabilities       | (12,981,818) | (13,357,837) |
| Retained Earnings | \$27,755,922 | \$29,852,866 |

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$12.1 million and \$12.5 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 Township's share of these unpaid claims collectible in future years is approximately \$13,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Township's contributions to OTARMA for the past three years are as follows:

| Contributions to OTARMA |         |
|-------------------------|---------|
| 2007                    | \$7,462 |
| 2008                    | \$7,429 |
| 2009                    | \$6,576 |

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 7 – Risk Management** (continued)

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

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

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

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

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

For the year ended December 31, 2009 and 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2009 and 2008 was 14 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 \$12,405, \$11,671, and \$11,135 respectively. The full amount has been contributed for 2009, 2008 and 2007.

**Note 9 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage.

Scioto Township, Pike County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2009 and 2008

**Note 9 - Postemployment Benefits** (continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14.77 percent of covered payroll.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 4.00 percent, an annual increase in active employee total payroll of 2.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 3.0 percent based on additional annual pay increases.

Health care premiums were assumed to increase between 10.00 and 13.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 406,492. Actual employer contributions for 2009 which were used to fund postemployment benefits were \$398,488. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$11.9 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$28.4 billion and \$16.8 billion, respectively.

On September 9, 2005, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2008. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.



**Report On Internal Control Over Financial Reporting and On Compliance and Other Matters  
Required by *Government Auditing Standards***

Board of Trustees  
Scioto Township  
Pike County  
1851 Bailey Chapel Road  
Beaver, Ohio 45613

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pike 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 March 11, 2010, wherein we noted the Township used a comprehensive basis of accounting other than generally accepted accounting principles. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A control 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-002 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated March 11, 2010.

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



Balestra, Harr & Scherer, CPAs, Inc.  
March 11, 2010

**SCIOTO TOWNSHIP  
PIKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

**FINDING NUMBER 2009-001**

**Non-Compliance**

Ohio Revised Code section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Township's Fiscal Officer did not certify the availability of funds prior to making commitments for 39% of the disbursements tested for 2008 and 60% of the disbursements tested for 2009. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

The Township's Fiscal Officer should certify purchases prior to the monies being expended.

***Client Response:***

We did not receive a response from the Client concerning the above finding.

**FINDING NUMBER 2009-002**

**Material Weakness**

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustment or reclassification:

- In 2008, Certificates of Deposit were recorded as investments on the Statement of Net Assets and Balance Sheet rather than as Cash & Cash Equivalents.
- In 2008 and 2009, Cemetery Fund charges for opening and closing graves were posted as Other Revenue rather than Charges for Services.
- In 2008 and 2009, Revenues in Lieu of Taxes were posted as Other Revenue in the General Fund.
- In 2008 and 2009, the Principal and Interest expense for the lease payments for the Fire Truck were posted to Public Safety in the General Fund, Gas Tax Fund, Cemetery Fund, and Roads & Bridges Fund rather than in the General Fund alone.
- In 2008 and 2009, Estate tax receipts and Kilowatt-Hour receipts in the General and Road & Bridge Funds were posted to Other Revenue rather than Intergovernmental
- In 2008 and 2009, Tangible Personal Property Tax Replacement receipts and Kilowatt-Hour receipts in the General and Road & Bridge Funds were posted to Property and Other Local Tax Revenue rather than Intergovernmental Revenue.
- In 2008, Estate Tax receipts in the General Fund were posted to Other Financing Sources rather than Intergovernmental.
- In 2008 and 2009, homestead and rollback receipts were posted as Taxes and Other Revenue in the General Fund rather than Intergovernmental Revenue.
- In 2009, Kilowatt-Hour receipts for the Road & Bridge Fund were posted to the General Fund rather than the Road & Bridge Fund.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Township Manual for guidance on the correct line item to post various receipts and expenditures of the Township.

***Client Response:***

We did not receive a response from the Client concerning the above finding.

**SCIOTO TOWNSHIP, PIKE  
PIKE COUNTY  
DECEMBER 31, 2009 AND 2008**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

| <b>Finding Number</b> | <b>Finding Summary</b>                                                 | <b>Fully Corrected?</b> | <b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b> |
|-----------------------|------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2007-001              | ORC section 5705.41(D)(1) not properly encumbering funds               | No                      | Reissued as Finding 2009-001                                                                                                     |
| 2007-002              | ORC section 5705.41(B) expenditures in excess of appropriations        | Yes                     |                                                                                                                                  |
| 2007-003              | Auditor of State Bulletin 2002-004 establishing capital projects funds | N/A                     | No activity during the audit period                                                                                              |
| 2007-004              | Material Weakness Sound financial reporting                            | No                      | Reissued as Finding 2009-002                                                                                                     |



**Mary Taylor, CPA**  
Auditor of State

**SCIOTO TOWNSHIP**

**PIKE 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  
MAY 20, 2010**