



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

SCIOTO TOWNSHIP  
PICKAWAY COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2013 and 2012  
Fiscal Years Audited Under GAGAS: 2013 and 2012





# Dave Yost • Auditor of State

Board of Trustees  
Scioto Township  
PO Box 40  
Commercial Point, Ohio 43116

We have reviewed the *Independent Auditor's Report* of Scioto Township, Pickaway County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2012 through December 31, 2013. 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.

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

Dave Yost  
Auditor of State

April 30, 2014

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**Scioto Township**  
**Pickaway County, Ohio**  
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**Scioto Township**  
**Pickaway County**  
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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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## Independent Auditor's Report

Scioto Township  
Pickaway County  
PO Box 40  
Commercial Point, Ohio 43116

To the Board of Trustees:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pickaway County, Ohio (the Township), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pickaway County, Ohio as of December 31, 2013 and 2012, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire and Emergency Fund, and Permissive Motor Vehicle Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

### **Accounting Basis**

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

### **Emphasis of Matter**

As described in Note 10 to the financial statements, during 2012, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Supplemental and Other Information*

We audited to opine on the Township's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Worthington, Ohio  
March 10, 2014



**Scioto Township**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*Unaudited*

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This discussion and analysis of Scioto Township's (the Township's) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2013 and 2012, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

**Highlights**

Key financial highlights for 2013 and 2012 are as follows:

Net position of governmental activities increased \$191,887 or 22.5 percent, in 2013. Net position of governmental activities decreased \$192,291, or 18.4 percent in 2012.

The Township's general receipts are primarily property and other local taxes. General receipts represent 67.2 percent of the total cash received for governmental activities during 2013 and 77.7 percent of the total cash received for governmental activities during 2012.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

The notes to the basic 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.

**Scioto Township**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*Unaudited*

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**Basis of Accounting**

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

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

**Reporting the Township as a Whole**

The statement of net position and the statement of activities reflect how the Township did financially during 2013 and 2012, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program cash receipts for each governmental program. Program cash 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 cash receipts identifies how each governmental function draws from the Township's general receipts.

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

In the statement of net position and the statement of activities, the Township reports only one type of activity:

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.

**Scioto Township**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2013 and 2012  
Unaudited

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

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

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2013 and 2012 the Township's major governmental funds are the General, Gasoline Tax, Road and Bridge, Fire and Emergency Funds, Permissive Motor Vehicle Fund, and the Permanent Improvement Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds – The Township's fiduciary fund is an agency fund. The Township's fiduciary fund is reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal net position) and do not involve measurement of results of operations. Fiduciary funds use the cash basis of accounting.

**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2013 compared to 2012 and 2012 compared to 2011 on a cash basis:

(Table 1)  
**Net Position**

	Governmental Activities				
	2013	2012	Difference	2011	Difference
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,045,730	\$ 853,843	\$ 191,887	\$ 1,046,134	\$ (192,291)
Total Assets	<u>\$ 1,045,730</u>	<u>\$ 853,843</u>	<u>\$ 191,887</u>	<u>\$ 1,046,134</u>	<u>\$ (192,291)</u>
<b>Net Position</b>					
Restricted	\$ 829,129	\$ 685,566	\$ 143,563	\$ 801,675	\$ (116,109)
Unrestricted	216,601	168,277	48,324	244,459	(76,182)
Total Net Position	<u>\$ 1,045,730</u>	<u>\$ 853,843</u>	<u>\$ 191,887</u>	<u>\$ 1,046,134</u>	<u>\$ (192,291)</u>

As mentioned previously, net position of governmental activities increased \$191,887 or 22.5 percent during 2013. This increase is due primarily to an increase in fire intergovernmental revenue received by the Township in 2013 as compared to 2012.

Net position of governmental activities decreased \$192,291 or 18.4 percent during 2012. This decrease is primarily due to a decrease in fire contract revenue received by the Township in 2012 as compared to 2011.

**Scioto Township**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2013 and 2012  
Unaudited

Table 2 reflects the changes in net position in 2013 as compared to 2012 and 2012 as compared to 2011.

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

	Governmental Activities 2013	Governmental Activities 2012	Difference	Governmental Activities 2011	Difference
Receipts:					
Program Receipts:					
Charges for Services	\$ 252,235	\$ 147,988	\$ 104,247	\$ 360,461	\$ (212,473)
Operating Grants and Contributions	406,450	192,661	213,789	115,883	76,778
Total Program Receipts	<u>658,685</u>	<u>340,649</u>	<u>318,036</u>	<u>476,344</u>	<u>(135,695)</u>
General Receipts:					
Property and Other Local Taxes	1,024,132	1,007,362	16,770	1,049,466	(42,104)
Grants and Entitlements Not Restricted to Specific Programs	207,150	159,632	47,518	86,677	72,955
Proceeds from Sale of Assets	67,500	-	67,500	-	-
Interest	1,460	704	756	1,158	(454)
Miscellaneous	47,217	17,278	29,939	41,694	(24,416)
Total General Receipts	<u>1,347,459</u>	<u>1,184,976</u>	<u>162,483</u>	<u>1,178,995</u>	<u>5,981</u>
Total Receipts	<u>2,006,144</u>	<u>1,525,625</u>	<u>480,519</u>	<u>1,655,339</u>	<u>(129,714)</u>
Disbursements:					
General Government	175,059	195,784	(20,725)	264,303	(68,519)
Public Safety	1,271,166	1,110,004	161,162	1,295,097	(185,093)
Public Works	290,106	331,258	(41,152)	362,892	(31,634)
Health	31,023	32,234	(1,211)	38,369	(6,135)
Capital Outlay	-	-	-	12,760	(12,760)
Debt Service	46,903	48,636	(1,733)	50,370	(1,734)
Total Disbursements	<u>1,814,257</u>	<u>1,717,916</u>	<u>96,341</u>	<u>2,023,791</u>	<u>(305,875)</u>
Increase / (Decrease) in Net Position	191,887	(192,291)	384,178	(368,452)	176,161
Net Position, January 1	853,843	1,046,134	(192,291)	1,414,586	(368,452)
Net Position, December 31	<u>\$ 1,045,730</u>	<u>\$ 853,843</u>	<u>\$ 191,887</u>	<u>\$ 1,046,134</u>	<u>\$ (192,291)</u>

Program receipts represent 32.8 percent of total receipts in 2013 and 22.3 percent of total receipts in 2012 and are comprised of charges for services and operating grants and contributions. The decrease in charges for services is due to a decrease in fire contracts during the 2012 year as compared to 2011. Operating grants and contributions increased during 2013 as a result of additional monies received for Fire Emergency programs.

General receipts represent 67.2 percent of the Township's total receipts for 2013 and 77.7 percent of the Township's total receipts for 2012, and of this amount, 76.0 percent are property and other local taxes in 2013 and 85.1 percent are property and other local taxes in 2012. Grants and entitlements not restricted to specific programs represent 15.4 percent and 13.5 percent of the Township's general receipts, respectively in 2013 and 2012. The increase in 2013 to operating grants and contributions is due to an increase in fire intergovernmental revenues. Charges for services increased in 2013 over 2012 primarily due to an increase in fire contract revenues received. Interest receipts have remained fairly consistent yearly from 2011 to 2013 in relation to cash on hand. In 2013 the Township sold an old fire truck which resulted in the increase in proceeds from sale of assets. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the Board, and the Clerk, Fire, EMS, as well as internal services such as payroll and purchasing.

**Scioto Township**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*Unaudited*

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Public Safety is the cost of fire protection and EMS; Public Works is the cost of maintaining and repairing roads and similar items; Health is for health services provided to the Township; Capital Outlay represents the cost of purchases of equipment and other assets.

Disbursements for public safety increased \$161,162 from 2012 to 2013 primarily due to an increase in available funds in the Fire and Emergency fund. Disbursements for public safety decreased \$185,093 from 2011 to 2012 as a result of decreased charges for services receipts. Disbursements for public works increased or decreased depending on the amount of road work projects for that year.

**Governmental Activities**

If you look at the Statement of Activities on pages 11 and 23, 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. In 2013, the major program disbursements for governmental activities are for public safety, public works and general government, which account for 70.1, 16.0 and 9.6 percent of all governmental disbursements, respectively. In 2012, the major program disbursements for governmental activities are for public safety, public works, and general government which account for 64.6, 19.3 and 11.4 percent of all governmental disbursements, respectively. The next column of the Statement entitled Program Cash Receipts identifies 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 mainly provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost Of Services 2013	Net Cost/ (Receipts) of Services 2013	Total Cost of Services 2012	Net Cost/ (Receipts) of Services 2012
General Government	\$ 175,059	\$ 150,140	\$ 195,784	\$ 171,987
Public Safety	1,271,166	781,023	1,110,004	917,686
Public Works	290,106	160,927	331,258	216,450
Health	31,023	16,579	32,234	22,508
Debt Service	46,903	46,903	48,636	48,636
<b>Total Disbursements</b>	<b>\$ 1,814,257</b>	<b>\$ 1,155,572</b>	<b>\$ 1,717,916</b>	<b>\$ 1,377,267</b>

**Scioto Township**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*Unaudited*

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**The Township's Funds**

Total governmental funds had total receipts and other financing sources of \$2,006,144 and disbursements of \$1,814,257 in 2013. The fund balance in the General Fund increased \$48,324 due to receipts exceeding disbursements. The Gasoline Tax Fund balance decreased \$2,631 from \$113,984 to \$111,353. The fund balance of the Road and Bridge Fund increased by \$53,297 in 2013 primarily due a decrease in cash disbursements. The fund balance of the Fire and Emergency Fund increased \$46,370 primarily due to a decrease in cash disbursements. The fund balance of the Permissive Motor Vehicle Fund increased \$12,699 due to cash receipts exceeding cash disbursements. The fund balance of the Permanent Improvement Fund increased \$21,000 due to increases in cash receipts.

Total governmental funds had receipts and other financing sources of \$1,574,261 and disbursements and other financing uses of \$1,766,552 in 2012. The greatest change within governmental funds occurred within the Fire and Emergency Fund in 2012. In 2012, the fund balance of the Fire and Emergency fund decreased \$151,529 primarily as the result of decreased charges for services. The fund balance of the General Fund decreased \$76,182 in 2012, primarily as a result of a transfer out from the General Fund to the Fire and Emergency Fund. The Gasoline Tax Fund balance increased \$9,993 due to cash receipts exceeding cash disbursements. The fund balance of the Road and Bridge Fund decreased \$3,212. The Permissive Motor Vehicle Fund increased \$10,515. The fund balance of the Permanent Improvement Fund increased \$7,200 in 2012 primarily due to cash receipts exceeding cash disbursements.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The Township amended their General Fund budget in 2013 and 2012. The Township uses fund budgeting and the budgeting systems are designed to tightly control the total funds' budget.

For 2013, General fund budget basis actual receipts were \$242,012, which was consistent with the final budget basis amount. The original budget basis amount was \$163,000. The greatest change between the original and final budget basis amounts was in intergovernmental receipts. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2013 were \$199,555. Actual cash disbursements were lower than original and final budgeted disbursements during 2013 due primarily to lower disbursements than anticipated for general government.

For 2012, General fund budget basis actual receipts were \$187,576, which was slightly higher than the original and final budget basis amounts. Actual cash disbursements were lower than original and final budgeted amounts due mainly to lower general government and debt service disbursements.

**Debt**

At December 31, 2013 and 2012, the Township had debt outstanding of \$182,500 and \$219,000. For additional information on debt, see Note 8 to the basic financial statements.

**Scioto Township**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2013 and 2012*  
*Unaudited*

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**Current Financial Related Activities**

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

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Vickie Fleming, Clerk/Treasurer, Scioto Township, P.O. Box 40, Commercial Point, OH 43116 or by phone at (614) 877-4452.

**Scioto Township**  
*Statement of Net Position - Cash Basis*  
*As of December 31, 2013*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,045,730
<i>Total Assets</i>	\$ 1,045,730
<b>Net Position</b>	
Restricted for:	
Capital Projects	\$ 125,219
Gasoline Tax	111,353
Road and Bridge	246,952
Fire and Emergency	60,568
Permissive Motor Vehicle	182,967
Other Purposes	102,070
Unrestricted	216,601
<i>Total Net Position</i>	\$ 1,045,730

See accompanying notes to the basic financial statements.



**Scioto Township**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2013*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 175,059	\$ 24,919	\$ -	\$ (150,140)
Public Safety	1,271,166	190,016	300,127	(781,023)
Public Works	290,106	22,856	106,323	(160,927)
Health	31,023	14,444	-	(16,579)
Debt Service:				
Principal	36,500	-	-	(36,500)
Interest	10,403	-	-	(10,403)
<i>Total Governmental Activities</i>	<u>\$ 1,814,257</u>	<u>\$ 252,235</u>	<u>\$ 406,450</u>	<u>\$ (1,155,572)</u>
<b>General Receipts</b>				
Property Taxes Levied for:				
General Purposes				125,418
Other Purposes				898,714
Grants and Entitlements not Restricted to Specific Programs				207,150
Proceeds from Sale of Assets				67,500
Interest				1,460
Miscellaneous				47,217
<i>Total General Receipts</i>				<u>1,347,459</u>
<i>Change in Net Position</i>				191,887
<i>Net Position - Beginning of Year</i>				<u>853,843</u>
<i>Net Position - End of Year</i>				<u>\$ 1,045,730</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2013*

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	General Fund	Gasoline Tax Fund	Road and Bridge Fund
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 216,601	\$ 111,353	\$ 246,952
<i>Total Assets</i>	\$ 216,601	\$ 111,353	\$ 246,952
<b>Fund Balances</b>			
Restricted	\$ -	\$ 111,353	\$ -
Committed	-	-	246,952
Assigned	5,867	-	-
Unassigned	210,734	-	-
<i>Total Fund Balances</i>	\$ 216,601	\$ 111,353	\$ 246,952

See accompanying notes to the basic financial statements.

Fire and Emergency Fund	Permissive Motor Vehicle Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 60,568	\$ 182,967	\$ 125,219	\$ 102,070	\$ 1,045,730
<u>\$ 60,568</u>	<u>\$ 182,967</u>	<u>\$ 125,219</u>	<u>\$ 102,070</u>	<u>\$ 1,045,730</u>
\$ 60,568	\$ 182,967	\$ 125,219	\$ 102,070	\$ 582,177
-	-	-	-	246,952
-	-	-	-	5,867
-	-	-	-	210,734
<u>\$ 60,568</u>	<u>\$ 182,967</u>	<u>\$ 125,219</u>	<u>\$ 102,070</u>	<u>\$ 1,045,730</u>

**Scioto Township**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2013*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund
<b>Receipts</b>			
Property and Other Local Taxes	\$ 125,418	\$ -	\$ 182,415
Charges for Services	-	1,856	-
Intergovernmental	82,534	83,041	26,356
Licenses, Permits and Fees	24,919	-	-
Interest	1,009	174	-
Other	8,132	1,087	919
<i>Total Receipts</i>	<u>242,012</u>	<u>86,158</u>	<u>209,690</u>
<b>Disbursements</b>			
Current:			
General Government	175,059	-	-
Public Safety	-	-	-
Public Works	-	88,789	156,393
Health	18,629	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<i>Total Disbursements</i>	<u>193,688</u>	<u>88,789</u>	<u>156,393</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>48,324</u>	<u>(2,631)</u>	<u>53,297</u>
<b>Other Financing Sources</b>			
Proceeds from Sale of Assets	-	-	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	48,324	(2,631)	53,297
<i>Fund Balances - Beginning of Year</i>	<u>168,277</u>	<u>113,984</u>	<u>193,655</u>
<i>Fund Balances - End of Year</i>	<u>\$ 216,601</u>	<u>\$ 111,353</u>	<u>\$ 246,952</u>

See accompanying notes to the basic financial statements.

Fire and Emergency Fund	Permissinve Motor Vehicle Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 679,857	\$ 36,442	\$ -	\$ -	\$ 1,024,132
190,016	-	-	-	191,872
398,387	8,408	-	14,874	613,600
-	-	21,000	14,444	60,363
-	273	-	4	1,460
28,679	-	-	8,400	47,217
<u>1,296,939</u>	<u>45,123</u>	<u>21,000</u>	<u>37,722</u>	<u>1,938,644</u>
-	-	-	-	175,059
1,271,166	-	-	-	1,271,166
-	32,424	-	12,500	290,106
-	-	-	12,394	31,023
36,500	-	-	-	36,500
10,403	-	-	-	10,403
<u>1,318,069</u>	<u>32,424</u>	<u>-</u>	<u>24,894</u>	<u>1,814,257</u>
<u>(21,130)</u>	<u>12,699</u>	<u>21,000</u>	<u>12,828</u>	<u>124,387</u>
<u>67,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,500</u>
<u>67,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,500</u>
46,370	12,699	21,000	12,828	191,887
14,198	170,268	104,219	89,242	853,843
<u>\$ 60,568</u>	<u>\$ 182,967</u>	<u>\$ 125,219</u>	<u>\$ 102,070</u>	<u>\$ 1,045,730</u>

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*General Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 128,500	\$ 128,500	\$ 125,418	\$ (3,082)
Intergovernmental	17,000	70,500	82,534	12,034
Licenses, Permits and Fees	11,500	27,500	24,919	(2,581)
Interest	6,000	6,000	1,009	(4,991)
Other	-	10,000	8,132	(1,868)
<i>Total Receipts</i>	<u>163,000</u>	<u>242,500</u>	<u>242,012</u>	<u>(488)</u>
<b>Disbursements</b>				
Current:				
General Government	195,801	195,801	180,926	14,875
Health	19,338	19,338	18,629	709
<i>Total Disbursements</i>	<u>215,139</u>	<u>215,139</u>	<u>199,555</u>	<u>15,584</u>
<i>Net Change in Fund Balance</i>	<u>(52,139)</u>	<u>27,361</u>	<u>42,457</u>	<u>15,096</u>
<i>Fund Balance Beginning of Year</i>	168,210	168,210	168,210	-
<i>Prior Year Encumbrances Appropriated</i>	<u>67</u>	<u>67</u>	<u>67</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 116,138</u>	<u>\$ 195,638</u>	<u>\$ 210,734</u>	<u>\$ 15,096</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 79,500	\$ 79,500	\$ 83,041	\$ 3,541
Charges for Services	3,500	3,500	1,856	(1,644)
Interest	50	50	174	124
Other	221	221	1,087	866
<i>Total Receipts</i>	<u>83,271</u>	<u>83,271</u>	<u>86,158</u>	<u>2,887</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>75,504</u>	<u>92,504</u>	<u>88,789</u>	<u>3,715</u>
<i>Total Disbursements</i>	<u>75,504</u>	<u>92,504</u>	<u>88,789</u>	<u>3,715</u>
<i>Net Change in Fund Balance</i>	7,767	(9,233)	(2,631)	6,602
<i>Fund Balance Beginning of Year</i>	<u>113,984</u>	<u>113,984</u>	<u>113,984</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 121,751</u></u>	<u><u>\$ 104,751</u></u>	<u><u>\$ 111,353</u></u>	<u><u>\$ 6,602</u></u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 198,700	\$ 198,700	\$ 182,415	\$ (16,285)
Intergovernmental	1,300	14,300	26,356	12,056
Other	-	-	919	919
<i>Total Receipts</i>	<u>200,000</u>	<u>213,000</u>	<u>209,690</u>	<u>(3,310)</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>213,184</u>	<u>228,184</u>	<u>156,393</u>	<u>71,791</u>
<i>Total Disbursements</i>	<u>213,184</u>	<u>228,184</u>	<u>156,393</u>	<u>71,791</u>
<i>Net Change in Fund Balance</i>	(13,184)	(15,184)	53,297	68,481
<i>Fund Balance Beginning of Year</i>	<u>193,655</u>	<u>193,655</u>	<u>193,655</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 180,471</u></u>	<u><u>\$ 178,471</u></u>	<u><u>\$ 246,952</u></u>	<u><u>\$ 68,481</u></u>

See accompanying notes to the basic financial statements.



**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Fire and Emergency Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 714,000	\$ 733,000	\$ 679,857	\$ (53,143)
Charges for Services	144,000	174,000	190,016	16,016
Intergovernmental	384,000	418,285	398,387	(19,898)
Other	3,120	23,120	28,679	5,559
<i>Total Receipts</i>	<u>1,245,120</u>	<u>1,348,405</u>	<u>1,296,939</u>	<u>(51,466)</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,191,898	1,318,898	1,271,166	47,732
Debt Service:				
Principal Retirement	36,500	36,500	36,500	-
Interest and Fiscal Charges	10,403	10,403	10,403	-
<i>Total Disbursements</i>	<u>1,238,801</u>	<u>1,365,801</u>	<u>1,318,069</u>	<u>47,732</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,319</u>	<u>(17,396)</u>	<u>(21,130)</u>	<u>(3,734)</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Assets	-	67,500	67,500	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>67,500</u>	<u>67,500</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	6,319	50,104	46,370	(3,734)
<i>Fund Balance Beginning of Year</i>	<u>14,198</u>	<u>14,198</u>	<u>14,198</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 20,517</u>	<u>\$ 64,302</u>	<u>\$ 60,568</u>	<u>\$ (3,734)</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Permissive Motor Vehicle Fund*  
*For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 25,000	\$ 30,000	\$ 36,442	\$ 6,442
Intergovernmental	18,505	18,505	8,408	(10,097)
Interest	50	50	273	223
<i>Total Receipts</i>	43,555	48,555	45,123	(3,432)
<b>Disbursements</b>				
Current:				
Public Works	33,346	33,346	32,424	922
<i>Total Disbursements</i>	33,346	33,346	32,424	922
<i>Net Change in Fund Balance</i>	10,209	15,209	12,699	(2,510)
<i>Fund Balance Beginning of Year</i>	170,268	170,268	170,268	-
<i>Fund Balance End of Year</i>	\$ 180,477	\$ 185,477	\$ 182,967	\$ (2,510)

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Fiduciary Net Position*  
*Fiduciary Fund*  
*As of December 31, 2013*

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	<u>Agency Fund</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,927</u>
<b>Liabilities</b>	
Undistributed Monies	<u>\$ 2,927</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Net Position - Cash Basis*  
*As of December 31, 2012*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 853,843
<i>Total Assets</i>	\$ 853,843
<b>Net Position</b>	
Restricted for:	
Capital Projects	\$ 104,219
Gasoline Tax	113,984
Road and Bridge	193,655
Fire and Emergency	14,198
Permissive Motor Vehicle	170,268
Other Purposes	89,242
Unrestricted	168,277
<i>Total Net Position</i>	\$ 853,843

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2012*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 195,784	\$ 23,797	\$ -	\$ (171,987)
Public Safety	1,110,004	107,265	85,053	(917,686)
Public Works	331,258	7,200	107,608	(216,450)
Health	32,234	9,726	-	(22,508)
Debt Service:				
Principal	36,500	-	-	(36,500)
Interest	12,136	-	-	(12,136)
<i>Total Governmental Activities</i>	<u>\$ 1,717,916</u>	<u>\$ 147,988</u>	<u>\$ 192,661</u>	<u>\$ (1,377,267)</u>
<b>General Receipts</b>				
Property Taxes Levied for:				
General Purposes				125,496
Other Purposes				881,866
Grants and Entitlements not Restricted to Specific Programs				159,632
Interest				704
Miscellaneous				17,278
<i>Total General Receipts</i>				<u>1,184,976</u>
<i>Change in Net Position</i>				(192,291)
<i>Net Position - Beginning of Year</i>				<u>1,046,134</u>
<i>Net Position - End of Year</i>				<u>\$ 853,843</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*As of December 31, 2012*

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	General Fund	Gasoline Tax Fund	Road and Bridge Fund
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 168,277	\$ 113,984	\$ 193,655
<i>Total Assets</i>	\$ 168,277	\$ 113,984	\$ 193,655
<b>Fund Balances</b>			
Restricted	\$ -	\$ 113,984	\$ -
Committed	-	-	193,655
Assigned	67	-	-
Unassigned	168,210	-	-
<i>Total Fund Balances</i>	\$ 168,277	\$ 113,984	\$193,655

See accompanying notes to the basic financial statements.

Fire and Emergency Fund	Permissive Motor Vehicle Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 14,198	\$ 170,268	\$ 104,219	\$ 89,242	\$ 853,843
<u>\$ 14,198</u>	<u>\$ 170,268</u>	<u>\$ 104,219</u>	<u>\$ 89,242</u>	<u>\$ 853,843</u>
\$ 14,198	\$ 170,268	\$ 104,219	\$ 89,242	\$ 491,911
-	-	-	-	193,655
-	-	-	-	67
-	-	-	-	168,210
<u>\$ 14,198</u>	<u>\$ 170,268</u>	<u>\$ 104,219</u>	<u>\$ 89,242</u>	<u>\$ 853,843</u>

**Scioto Township**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2012*

	General Fund	Gasoline Tax Fund	Road and Bridge Fund
<b>Receipts</b>			
Property and Other Local Taxes	\$ 125,496	\$ -	\$ 180,396
Charges for Services	-	-	-
Intergovernmental	36,996	85,085	25,881
Licenses, Permits and Fees	23,797	-	-
Interest	515	71	-
Other	772	342	418
<i>Total Receipts</i>	<u>187,576</u>	<u>85,498</u>	<u>206,695</u>
<b>Disbursements</b>			
Current:			
General Government	195,784	-	-
Public Safety	-	-	-
Public Works	-	75,505	209,907
Health	19,338	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<i>Total Disbursements</i>	<u>215,122</u>	<u>75,505</u>	<u>209,907</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(27,546)</u>	<u>9,993</u>	<u>(3,212)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	-
Transfers Out	(48,636)	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(48,636)</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(76,182)	9,993	(3,212)
<i>Fund Balances - Beginning of Year</i>	<u>244,459</u>	<u>103,991</u>	<u>196,867</u>
<i>Fund Balances - End of Year</i>	<u>\$ 168,277</u>	<u>\$ 113,984</u>	<u>\$ 193,655</u>

See accompanying notes to the basic financial statements.



Fire and Emergency Fund	Permissive Motor Vehicle Fund	Permanent Improvement Funds	Other Governmental Funds	Total Governmental Funds
\$ 665,924	\$ 35,546	\$ -	\$ -	\$ 1,007,362
107,265	-	-	-	107,265
181,090	8,202	-	15,039	352,293
-	-	7,200	9,726	40,723
-	113	-	5	704
4,196	-	-	11,550	17,278
<u>958,475</u>	<u>43,861</u>	<u>7,200</u>	<u>36,320</u>	<u>1,525,625</u>
-	-	-	-	195,784
1,110,004	-	-	-	1,110,004
-	33,346	-	12,500	331,258
-	-	-	12,896	32,234
36,500	-	-	-	36,500
12,136	-	-	-	12,136
<u>1,158,640</u>	<u>33,346</u>	<u>-</u>	<u>25,396</u>	<u>1,717,916</u>
<u>(200,165)</u>	<u>10,515</u>	<u>7,200</u>	<u>10,924</u>	<u>(192,291)</u>
48,636	-	-	-	48,636
-	-	-	-	(48,636)
<u>48,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(151,529)	10,515	7,200	10,924	(192,291)
<u>165,727</u>	<u>159,753</u>	<u>97,019</u>	<u>78,318</u>	<u>1,046,134</u>
<u>\$ 14,198</u>	<u>\$ 170,268</u>	<u>\$ 104,219</u>	<u>\$ 89,242</u>	<u>\$ 853,843</u>

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*General Fund*  
*For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 133,000	\$ 135,000	\$ 125,496	\$ (9,504)
Intergovernmental	17,000	31,500	36,996	5,496
Licenses, Permits and Fees	10,000	26,000	23,797	(2,203)
Interest	6,000	500	515	15
Other	-	-	772	772
<i>Total Receipts</i>	166,000	193,000	187,576	(5,424)
<b>Disbursements</b>				
Current:				
General Government	233,427	235,342	195,851	39,491
Health	25,000	24,085	19,338	4,747
Debt Service:				
Principal Retirement	36,500	36,500	-	36,500
Interest and Fiscal Charges	13,870	12,870	-	12,870
<i>Total Disbursements</i>	308,797	308,797	215,189	93,608
<i>Excess of Receipts Under Disbursements</i>	(142,797)	(115,797)	(27,613)	88,184
<b>Other Financing Uses</b>				
Transfers Out	-	(48,636)	(48,636)	-
<i>Total Other Financing Uses</i>	-	(48,636)	(48,636)	-
<i>Net Change in Fund Balance</i>	(142,797)	(164,433)	(76,249)	88,184
<i>Fund Balance Beginning of Year</i>	239,775	239,775	239,775	-
<i>Prior Year Encumbrances Appropriated</i>	4,684	4,684	4,684	-
<i>Fund Balance End of Year</i>	\$ 101,662	\$ 80,026	\$ 168,210	\$ 88,184

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 88,204	\$ 88,204	\$ 85,085	\$ (3,119)
Interest	179	179	71	(108)
Other	-	-	342	342
<i>Total Receipts</i>	<u>88,383</u>	<u>88,383</u>	<u>85,498</u>	<u>(2,885)</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>86,544</u>	<u>86,544</u>	<u>75,505</u>	<u>11,039</u>
<i>Total Disbursements</i>	<u>86,544</u>	<u>86,544</u>	<u>75,505</u>	<u>11,039</u>
<i>Net Change in Fund Balance</i>	1,839	1,839	9,993	8,154
<i>Fund Balance Beginning of Year</i>	<u>103,991</u>	<u>103,991</u>	<u>103,991</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 105,830</u></u>	<u><u>\$ 105,830</u></u>	<u><u>\$ 113,984</u></u>	<u><u>\$ 8,154</u></u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 193,000	\$ 193,000	\$ 180,396	\$ (12,604)
Intergovernmental	1,000	15,000	25,881	10,881
Other	-	-	418	418
<i>Total Receipts</i>	<u>194,000</u>	<u>208,000</u>	<u>206,695</u>	<u>(1,305)</u>
<b>Disbursements</b>				
Current:				
Public Works	245,311	245,811	209,907	35,904
Capital Outlay	2,790	2,290	-	2,290
<i>Total Disbursements</i>	<u>248,101</u>	<u>248,101</u>	<u>209,907</u>	<u>38,194</u>
<i>Net Change in Fund Balance</i>	(54,101)	(40,101)	(3,212)	36,889
<i>Fund Balance Beginning of Year</i>	186,867	186,867	186,867	-
<i>Prior Year Encumbrances Appropriated</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 142,766</u>	<u>\$ 156,766</u>	<u>\$ 193,655</u>	<u>\$ 36,889</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Fire and Emergency Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 714,000	\$ 714,000	\$ 665,924	\$ (48,076)
Charges for Services	-	102,100	107,265	5,165
Intergovernmental	46,000	156,987	181,090	24,103
Other	4,000	6,500	4,196	(2,304)
<i>Total Receipts</i>	<u>764,000</u>	<u>979,587</u>	<u>958,475</u>	<u>(21,112)</u>
<b>Disbursements</b>				
Current:				
Public Safety	968,963	1,166,450	1,110,004	56,446
Debt Service:				
Principal Retirement	-	36,500	36,500	-
Interest and Fiscal Charges	-	12,136	12,136	-
<i>Total Disbursements</i>	<u>968,963</u>	<u>1,215,086</u>	<u>1,158,640</u>	<u>56,446</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(204,963)</u>	<u>(235,499)</u>	<u>(200,165)</u>	<u>35,334</u>
<b>Other Financing Sources</b>				
Transfers In	-	48,636	48,636	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>48,636</u>	<u>48,636</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(204,963)	(186,863)	(151,529)	35,334
<i>Fund Balance Beginning of Year</i>	<u>165,727</u>	<u>165,727</u>	<u>165,727</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ (39,236)</u>	<u>\$ (21,136)</u>	<u>\$ 14,198</u>	<u>\$ 35,334</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budgetary Basis*  
*Permissive Motor Vehicle Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 20,000	\$ 35,000	\$ 35,546	\$ 546
Intergovernmental	8,000	8,000	8,202	202
Interest	<u>2,325</u>	<u>100</u>	<u>113</u>	<u>13</u>
<i>Total Receipts</i>	<u>30,325</u>	<u>43,100</u>	<u>43,861</u>	<u>761</u>
<b>Disbursements</b>				
Current:				
Public Works	<u>46,925</u>	<u>46,925</u>	<u>33,346</u>	<u>13,579</u>
<i>Total Disbursements</i>	<u>46,925</u>	<u>46,925</u>	<u>33,346</u>	<u>13,579</u>
<i>Net Change in Fund Balance</i>	(16,600)	(3,825)	10,515	14,340
<i>Fund Balance Beginning of Year</i>	<u>159,753</u>	<u>159,753</u>	<u>159,753</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 143,153</u>	<u>\$ 155,928</u>	<u>\$ 170,268</u>	<u>\$ 14,340</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Statement of Fiduciary Net Position*  
*Fiduciary Fund*  
*As of December 31, 2012*

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	<u>Agency Fund</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,500</u>
<b>Liabilities</b>	
Undistributed Monies	<u>\$ 1,500</u>

See accompanying notes to the basic financial statements.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 1 – Reporting Entity**

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

The reporting entity is comprised of the primary government, component units 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 governmental services, including road maintenance and repair, fire protection and emergency medical services.

**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 had no component units.

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

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

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied only 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 position 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 position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.



**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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

**Government-Wide Financial Statements (Continued)**

The statement of net position presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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.

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire and Emergency Fund, Permissive Motor Vehicle Fund, and the Permanent Improvement Capital Projects Fund.

The General Fund is used to account for all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining, and repairing township roads.

The Road and Bridge Fund receives property tax and local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

The Fire and Emergency Fund accumulates tax levy and charges for services receipts for the provision of fire protection services to the Township and contracting governments.

The Permissive Motor Vehicle Fund accumulates license tax receipts to be used for road and bridge and associated purposes within the Township.

The Permanent Improvement Fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by the Revised Code. The main source of revenue for this fund is licenses, permits, and fees.

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

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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

**Fiduciary Funds**

Fiduciary funds focus on net position and changes in net position. There are four categories of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The Township's only fiduciary fund is an agency fund, which is used to account for contractor's deposits.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**D. Budgetary Process**

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the 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 Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

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

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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

**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.”

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2013 was \$1,009, for the Gasoline Tax Fund was \$174, for the Permissive Motor Vehicle Fund was \$273, and \$4 credited to other Governmental funds. Interest receipts credited to the General Fund during 2012 was \$515, for the Gasoline Tax Fund was \$71, for the Permissive Motor Vehicle Fund was \$113, and \$5 credited to other Governmental funds.

**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. Accumulated Leave**

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described.

**I. 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 6 and 7, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

**J. 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.

**K. Net Position**

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include activities for federal and state grants restricted to expenditures for specific purposes.

The Township’s policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available. Of the Township’s restricted net position at December 31, 2013 and December 31, 2012, none were restricted by enabling legislation.

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

**L. Fund Balance**

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

***Nonspendable*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Township Board of Trustees.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 3 – 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 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 two 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, its political subdivisions, or other units or agencies of this State or its political subdivisions;
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);
8. Securities lending agreements in which the Township lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the Township's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the Township's total average portfolio.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Township by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 3 - 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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township, or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Township's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

As of December 31, 2013 and 2012, the Township's bank balances of \$1,081,635 and \$310,633, respectively, were either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner described above.

Investments

The Township had no investments at December 31, 2013. At December 31, 2012, the Township had the following investment:

	<u>Fair Value</u> <u>December 31, 2012</u>	<u>Weighted Average</u> <u>Maturity (Yrs.)</u>
STAR Ohio	\$585,000	0

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have an investment policy.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. All of the Township's investments are held in STAR Ohio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Township's investment in STAR Ohio was rated AAAM by Standard and Poor's.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk. The Township's investments in STAR Ohio are held in the name of the Township.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 4 – Property Taxes**

Property taxes include amounts levied against all real property and public utility property located in the Township. Real property tax receipts received in 2013 represent the collection of 2012 taxes. Real property taxes received in 2013 were levied after October 1, 2012, on the assessed values as of January 1, 2012, 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 2013 represent the collection of 2012 taxes. Public utility real property taxes received in 2013 became a lien on December 31, 2011 were levied after October 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value.

The full tax rate for all Township operations for the years ended December 31, 2013 and 2012, was \$9.8 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2013 and 2012 property tax receipts were based are as follows:

	<b>2013</b>	<b>2012</b>
Real Property	\$103,800,360	\$100,617,050
Public Utility Property		
Personal	3,485,420	3,221,240
Total Assessed Value	<u>\$107,285,780</u>	<u>\$103,838,290</u>

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 5 – Risk Management**

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

**Casualty and Property Coverage**

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2012, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**Financial Position**

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available):

	<b><u>2012</u></b>	<b><u>2011</u></b>
Assets	\$34,771,270	\$35,086,165
Liabilities	<u>(9,355,082)</u>	<u>(9,718,792)</u>
Net Position	<u>\$25,416,188</u>	<u>\$25,367,373</u>

At December 31, 2012 and 2011, respectively, the liabilities above include approximately \$8.7 and \$9.1 million of estimated incurred claims payable. The assets above also include approximately \$7.96 and \$8.6 million of unpaid claims to be billed to approximately 944 member governments in the future, as of December 31, 2012 and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013 and December 31, 2012, the Township’s share of these unpaid claims collectible in future years is approximately \$25,812 and \$24,825 respectively. The rate for 2012 was utilized in calculating the 2013 share. (The most recent information available).

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.

**Contributions to OTARMA**

	<b><u>2013</u></b>	<b><u>2012</u></b>
	\$42,076	\$43,749



**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 5 – Risk Management (Continued)**

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

**Note 6 – Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
  - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
  - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013 and 2012 member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2013, 2012, and 2011 member contribution rates were 10.0%, 10.0%, and 10.0%, respectively, for members in state and local classifications and 12.0% and 12.6%, 11.5% and 12.1%, and 11.0% and 11.6%, respectively for members in public safety and law enforcement.

The 2013, 2012, and 2011 employer contribution rates for members in state and local classifications were 14.0%, 14.0%, and 14.0%, respectively, of covered payroll. For both public safety and law enforcement divisions, the employer contribution rates were 18.10%, 18.10%, and 18.10%, respectively.

The Township's contributions to OPERS for the years ended December 31, 2013, 2012, and 2011 were \$13,941, \$14,679, and \$17,001, respectively. The full amount has been contributed for 2013, 2012, 2011.

**Note 6 – Defined Benefit Pension Plan (Continued)**

**Ohio Police and Fire Pension Fund**

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

Effective July 2, 2013 plan members were required to contribute 10.75% of their annual covered salary. For January 1, 2013 to July 1, 2013, fiscal year 2012 and fiscal year 2011 plan members were required to contribute 10.00% of their annual covered salary. For 2013, 2012, and 2011 employers were required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The Township's contributions to OP&F for the years ending December 31, 2013, 2012, and 2011 were \$181,761, \$131,150, and \$134,709, respectively. The full amount has been contributed for 2013, 2012 and 2011.

**Note 7 – Post-Employment Benefits**

**Ohio Public Employees Retirement System**

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OPERS issue a stand-alone financial report. Interest parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contributions are expressed as a percentage of the covered payroll of active members. In 2013, 2012, and 2011, local government employer units contributed at 14.0%, 14.0%, and 14.0%, respectively, of covered payroll, and public safety and law enforcement employer units contributed at 18.10%, 18.10%, and 18.10%, respectively. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 7 – Post-Employment Benefits (Continued)**

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2013, the employer contributions allocated to the health care for members in the Traditional and Combined plans was 1%. For 2012 and 2011, the employer contributions allocated to the health care for members in the Traditional was 4.0%. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar years 2012, and 2011. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions used to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$995, \$4,194, and \$4,857, respectively, which equaled 100% of the required contributions amount.

- C. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Ohio Police and Fire Pension Fund**

The Township contributes to the Ohio Police and Fire Pension fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employer Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of trustees.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2013 and 2012

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**Note 7 – Post-Employment Benefits (continued)**

The board of trustees authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For 2013 the employer contribution allocated to the healthcare plan was 4.69% for the first part of 2013 and 2.85% for the second part of 2013. For the years ended December 31, 2012 and 2011, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The number of participants eligible to receive health care benefits as of December 31, 2012, (the latest information available) was 15,572 for Firefighters. The Township's contributions to OP&F that were allocated to the health care plan for December 31, 2013, 2012, and 2011 were \$51,075, \$36,853, and \$37,853, respectively, which were equal to 100% of the required contributions for each year. The Fund's total health care expenses for the year ended December 31, 2012 (the latest information available) were \$113,812,105, which was net of member contributions of \$62,528,377.

**Note 8 – Debt**

A summary of the note transactions for the years ended December 31, 2013 and 2012 follows:

	Interest Rate	Balance 12/31/2012	Additions	Reductions	Balance 12/31/2013	Due Within One Year
Tax Anticipation Notes	4.75%	\$ 219,000	\$ -	\$ 36,500	\$ 182,500	\$ 36,500
Total		<u>\$ 219,000</u>	<u>\$ -</u>	<u>\$ 36,500</u>	<u>\$ 182,500</u>	<u>\$ 36,500</u>

  

	Interest Rate	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Due Within One Year
Tax Anticipation Notes	4.75%	255,500	-	36,500	219,000	36,500
Total		<u>\$ 255,500</u>	<u>\$ -</u>	<u>\$ 36,500</u>	<u>\$ 219,000</u>	<u>\$ 36,500</u>

On August 6, 2008 the Township entered into a note agreement with The Citizens Bank for \$365,000 to finance the purchase of a fire truck. The note is being repaid from Fire and Emergency Levy Fund and the General Fund.

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

Year	Tax Anticipation Notes		
	Principal	Interest	Total
2014	\$ 36,500	\$ 12,136	\$ 48,636
2015	36,500	6,935	43,435
2016	36,500	5,201	41,701
2017	36,500	3,468	39,968
2018	36,500	1,734	38,234
	<u>\$ 182,500</u>	<u>\$ 29,474</u>	<u>\$ 211,974</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2013, were an overall debt margin of \$11,265,007 and an unvoted debt margin of \$5,900,718.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 9 – Contingent Liability**

The Township is not party to any legal proceedings.

**Note 10 – Changes in Accounting Principles**

For 2013 and 2012, the Township implemented Governmental Accounting Standard Board (GASB) Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” Governmental Accounting Standards Board (GASB) Statement No. 66, “Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62,” GASB Statement No. 69, “Government Combinations and Disposals of Government Operations,” and GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees.”

GASB Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Statement No. 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, and transfers of operations.

Statement No. 70 improves accounting and financial reporting by state and local governments that extend and receive non exchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The implementation of GASB Statements No. 62, 65, 66, 69, and 70 had no effect on the financial statements.

**Scioto Township**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2013 and 2012

**Note 10 - Changes in Accounting Principles (Continued)**

The implementation of GASB Statement No. 63 resulted in some terminology changes in the basic financial statements, but had no effect on beginning net position.

**Note 11 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances 2013	General	Gasoline Tax	Road and Bridge	Fire and Emergency	Permissive Motor Vehicle	Permanent Improvement	All Other Governmental	Total Governmental Funds
<b>Restricted for</b>								
Road and Bridge Repair	\$ -	\$ 111,353	\$ -	\$ -	\$ 182,967	\$ -	\$ 11,047	\$ 305,367
Fire and Emergency Cemetery	-	-	-	60,568	-	-	-	60,568
Capital Improvements	-	-	-	-	-	125,219	-	125,219
<b>Total Restricted</b>	<b>-</b>	<b>111,353</b>	<b>-</b>	<b>60,568</b>	<b>182,967</b>	<b>125,219</b>	<b>102,070</b>	<b>582,177</b>
<b>Committed to</b>								
Road and Bridge Repair	-	-	246,952	-	-	-	-	246,952
<b>Assigned to</b>								
Other Purposes	5,867	-	-	-	-	-	-	5,867
<b>Unassigned</b>								
	210,734	-	-	-	-	-	-	210,734
<b>Total Fund Balances</b>	<b>\$ 216,601</b>	<b>\$ 111,353</b>	<b>\$ 246,952</b>	<b>\$ 60,568</b>	<b>\$ 182,967</b>	<b>\$ 125,219</b>	<b>\$ 102,070</b>	<b>\$ 1,045,730</b>

Fund Balances 2012	General	Gasoline Tax	Road and Bridge	Fire and Emergency	Permissive Motor Vehicle	Permanent Improvement	All Other Governmental	Total Governmental Funds
<b>Restricted for</b>								
Road and Bridge Repair	\$ -	\$ 113,984	\$ -	\$ -	\$ 170,268	\$ -	\$ 8,669	\$ 292,921
Fire and Emergency Cemetery	-	-	-	14,198	-	-	-	14,198
Capital Improvements	-	-	-	-	-	104,219	-	104,219
<b>Total Restricted</b>	<b>-</b>	<b>113,984</b>	<b>-</b>	<b>14,198</b>	<b>170,268</b>	<b>104,219</b>	<b>89,242</b>	<b>491,911</b>
<b>Committed to</b>								
Road and Bridge Repair	-	-	193,655	-	-	-	-	193,655
<b>Assigned to</b>								
Other Purposes	67	-	-	-	-	-	-	67
<b>Unassigned</b>								
	168,210	-	-	-	-	-	-	168,210
<b>Total Fund Balances</b>	<b>\$ 168,277</b>	<b>\$ 113,984</b>	<b>\$ 193,655</b>	<b>\$ 14,198</b>	<b>\$ 170,268</b>	<b>\$ 104,219</b>	<b>\$ 89,242</b>	<b>\$ 853,843</b>

**Scioto Township**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 12 – 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 Balances – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax, Road and Bridge, Fire and Emergency, and Permissive Motor Vehicle Special Revenue Funds, are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as an assignment, commitment, or restriction of fund balance (cash basis).

**Note 13 – Interfund Activity**

Transfers were made during 2012 from the General Fund to the Fire Emergency Fund for the current year debt retirement obligation in the amount of \$48,636.



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

Scioto Township  
Pickaway County  
PO Box 40  
Commercial Point, Ohio 43116

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pickaway County, (the Township) as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 10, 2014, wherein we noted the Township implemented Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



### **Compliance and Other Matters**

As part of reasonably assuring whether the 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, opining on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Balestra, Harr & Scherer, CPAs*

Balestra, Harr & Scherer, CPAs, Inc.  
Worthington, Ohio  
March 10, 2014

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# Dave Yost • Auditor of State

**SCIOTO TOWNSHIP**

**PICKAWAY 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 13, 2014**