

SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Scioto Township
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

We have reviewed the *Independent Auditor's Report* of Scioto Township, Pickaway County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. 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.

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Keith Faber
Auditor of State
Columbus, Ohio

June 29, 2022

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**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

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Independent Auditor's Report

Scioto Township
Pickaway County
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, Pickaway County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Scioto Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Scioto Township, as of December 31, 2021 and 2020, and the respective changes in cash-basis financial position, thereof and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and Fire and Emergency Levy funds for the year then ended December 31, 2020 and for the General, Gasoline Tax, Road and Bridge, Fire and Emergency Levy, and Permissive Motor Vehicle License Tax funds for the year then ended December 31, 2021 in accordance with cash basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Scioto Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note 14 to the financial statements for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent period of Scioto Township. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scioto Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scioto Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Scioto Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022 on our consideration of Scioto 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scioto Township's 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 Scioto Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 5, 2022

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Net Position - Cash Basis
 December 31, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,554,889
	\$2,554,889
Total Assets	
Net Position	
Restricted for:	
Capital Projects	\$437,474
Other Purposes	1,606,056
Unrestricted	511,359
	\$2,554,889
Total Net Position	

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY

Statement of Activities - Cash Basis

For the Year Ended December 31, 2021

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 250,246	\$ -	\$ -	\$ (250,246)
Public Safety	3,284,309	372,844	1,275,509	(1,635,956)
Public Works	599,339	52,777	415,262	(131,300)
Health	60,938	16,721	11	(44,206)
Human Services	1,104	18,799	-	17,695
Other	-	21,978	-	21,978
Capital Outlay	795,215	-	56,589	(738,626)
Debt Service:				
Principal Retirement	125,877	-	-	(125,877)
Payment to Refunded Bond Escrow Agent From:				
Interest and Fiscal Charges	15,952	-	-	(15,952)
<i>Total Governmental Activities</i>	<u>5,132,980</u>	<u>483,119</u>	<u>1,747,371</u>	<u>(2,902,490)</u>
General Receipts:				
				2,056,870
Property Taxes				604,180
Grants and Entitlements not Restricted to Specific Programs				11,056
Cable Franchise Fees				2,527
Earnings on Investments				120,456
Miscellaneous				<u>2,795,089</u>
<i>Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers and Advances</i>				<u>(107,401)</u>
<i>Change in Net Position</i>				<u>2,662,290</u>
Net Position Beginning of Year				<u>2,554,889</u>
Net Position End of Year				<u><u>2,554,889</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE AND EMERGENCY LEVY	PERMISSIVE MOTOR VEHICLE LICENSE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 511,359	\$ 108,614	\$ 294,009	\$ 394,372	\$ 219,802	\$ 1,026,733	\$ 2,554,889
<i>Total Assets</i>	<u>511,359</u>	<u>108,614</u>	<u>294,009</u>	<u>394,372</u>	<u>219,802</u>	<u>1,026,733</u>	<u>2,554,889</u>
Fund Cash Balances, December 31							
Restricted	\$ -	\$ 108,614	\$ 294,009	\$ 394,372	\$ 219,802	\$ 1,026,733	\$ 2,043,530
Assigned:							
Subsequent year's appropriation	141,439	-	-	-	-	-	141,439
Unassigned	369,920	-	-	-	-	-	369,920
<i>Fund Cash Balances, December 31</i>	<u>511,359</u>	<u>108,614</u>	<u>294,009</u>	<u>394,372</u>	<u>219,802</u>	<u>1,026,733</u>	<u>2,554,889</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE AND EMERGENCY LEVY	PERMISSIVE MOTOR VEHICLE LICENSE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Receipts							
Property and Other Local Taxes	\$ 193,750	\$ -	\$ 278,062	\$ 1,569,408	\$ 40,601	\$ -	\$ 2,081,821
Charges for Services	-	-	-	345,644	-	-	345,644
Licenses, Permits and Fees	33,034	-	-	27,200	-	35,520	95,754
Intergovernmental	322,748	147,915	263,415	837,229	24,533	533,397	2,129,237
Earnings on Investments	2,039	142	-	-	323	163	2,667
Miscellaneous	55,388	9,739	18,576	36,753	-	250,000	370,456
<i>Total Receipts</i>	<u>606,959</u>	<u>157,796</u>	<u>560,053</u>	<u>2,816,234</u>	<u>65,457</u>	<u>819,080</u>	<u>5,025,579</u>
Disbursements							
Current:							
General Government	249,733	-	-	-	-	513	250,246
Public Safety	92,157	-	-	3,148,779	-	43,373	3,284,309
Public Works	-	166,358	327,033	-	105,569	379	599,339
Health	37,120	-	-	-	-	23,818	60,938
Human Services	-	-	-	-	-	1,104	1,104
Capital Outlay	9,562	-	128,006	656,843	-	804	795,215
Debt Service:							
Principal Retirement	-	-	73,807	52,070	-	-	125,877
Interest and Fiscal Charges	-	-	9,004	6,948	-	-	15,952
<i>Total Disbursements</i>	<u>388,572</u>	<u>166,358</u>	<u>537,850</u>	<u>3,864,640</u>	<u>105,569</u>	<u>69,991</u>	<u>5,132,980</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>218,387</u>	<u>(8,562)</u>	<u>22,203</u>	<u>(1,048,406)</u>	<u>(40,112)</u>	<u>749,089</u>	<u>(107,401)</u>
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	51,120	51,120
Transfers Out	(51,120)	-	-	-	-	-	(51,120)
<i>Total Other Financing Sources (Uses)</i>	<u>(51,120)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,120</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>167,267</u>	<u>(8,562)</u>	<u>22,203</u>	<u>(1,048,406)</u>	<u>(40,112)</u>	<u>800,209</u>	<u>(107,401)</u>
Fund Balances Beginning of Year	344,092	117,176	271,806	1,442,778	259,914	226,524	2,662,290
<i>Fund Balances End of Year</i>	<u>511,359</u>	<u>108,614</u>	<u>294,009</u>	<u>394,372</u>	<u>219,802</u>	<u>1,026,733</u>	<u>2,554,889</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
**Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund**

For the Year Ended December 31, 2021

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 120,373	\$ 193,751	\$ 193,750	\$ (1)
Licenses, Permits and Fees	42,880	33,034	33,034	-
Intergovernmental	316,627	322,748	322,748	-
Earnings on Investments	3,000	1,897	2,039	142
Miscellaneous	20,000	55,233	55,388	155
<i>Total Receipts</i>	<u>502,880</u>	<u>606,663</u>	<u>606,959</u>	<u>296</u>
Disbursements				
Current:				
General Government	302,460	305,054	249,733	55,321
Public Safety	92,000	92,156	92,157	(1)
Health	35,000	37,120	37,120	-
Capital Outlay	139,000	134,130	17,879	116,251
<i>Total Disbursements</i>	<u>568,460</u>	<u>568,460</u>	<u>396,889</u>	<u>171,571</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(65,580)</u>	<u>38,203</u>	<u>210,070</u>	<u>(171,867)</u>
Other Financing Sources (Uses)				
Transfers Out	-	(51,120)	(51,120)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(51,120)</u>	<u>(51,120)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(65,580)</u>	<u>(12,917)</u>	<u>158,950</u>	<u>171,867</u>
Unencumbered Fund Balance Beginning of Year	344,092	344,092	344,092	-
<i>Unencumbered Balance End of Year</i>	<u><u>278,512</u></u>	<u><u>331,175</u></u>	<u><u>503,042</u></u>	<u><u>171,867</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
**Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax**

For the Year Ended December 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Charges for Services	\$ 5,000	\$ -	\$ -	\$ -
Intergovernmental	85,000	147,915	147,915	-
Earnings on Investments	600	130	142	12
Miscellaneous	500	9,739	9,739	-
<i>Total Receipts</i>	<u>91,100</u>	<u>157,784</u>	<u>157,796</u>	<u>12</u>
Disbursements				
Current:				
Public Works	156,900	166,775	166,358	417
<i>Total Disbursements</i>	<u>156,900</u>	<u>166,775</u>	<u>166,358</u>	<u>417</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(65,800)</u>	<u>(8,991)</u>	<u>(8,562)</u>	<u>429</u>
Unencumbered Fund Balance Beginning of Year	<u>117,176</u>	<u>117,176</u>	<u>117,176</u>	<u>-</u>
<i>Unencumbered Balance End of Year</i>	<u>51,376</u>	<u>108,185</u>	<u>108,614</u>	<u>429</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
**Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge**

For the Year Ended December 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 222,327	\$ 278,062	\$ 278,062	\$ -
Intergovernmental	254,553	263,415	263,415	-
Miscellaneous	1,500	18,576	18,576	-
<i>Total Receipts</i>	<u>478,380</u>	<u>560,053</u>	<u>560,053</u>	<u>-</u>
Disbursements				
Current:				
Public Works	328,773	331,462	327,033	4,429
Capital Outlay	138,646	136,146	128,006	8,140
Debt Service:				
Principal Retirement	74,000	73,807	73,807	-
Interest and Fiscal Charges	9,000	9,004	9,004	-
<i>Total Disbursements</i>	<u>550,419</u>	<u>550,419</u>	<u>537,850</u>	<u>12,569</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(72,039)</u>	<u>9,634</u>	<u>22,203</u>	<u>12,569</u>
Unencumbered Fund Balance Beginning of Year	222,806	222,806	222,806	-
Prior Year Encumbrances Appropriated	49,000	49,000	49,000	-
<i>Unencumbered Balance End of Year</i>	<u><u>199,767</u></u>	<u><u>281,440</u></u>	<u><u>294,009</u></u>	<u><u>12,569</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
**Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Fire and Emergency Levy**

For the Year Ended December 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 1,684,111	\$ 1,569,410	\$ 1,569,408	\$ (2)
Charges for Services	320,000	312,250	345,644	33,394
Licenses, Permits and Fees	-	18,200	27,200	9,000
Intergovernmental	640,889	837,229	837,229	-
Miscellaneous	10,500	36,717	36,753	36
<i>Total Receipts</i>	<u>2,655,500</u>	<u>2,773,806</u>	<u>2,816,234</u>	<u>42,428</u>
Disbursements				
Current:				
Public Safety	2,732,452	3,175,447	3,148,779	26,668
Capital Outlay	301,313	657,826	656,843	983
Debt Service:				
Principal Retirement	51,500	52,100	52,070	30
Interest and Fiscal Charges	7,500	7,392	6,948	444
<i>Total Disbursements</i>	<u>3,092,765</u>	<u>3,892,765</u>	<u>3,864,640</u>	<u>28,125</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,655,500</u>	<u>(1,118,959)</u>	<u>(1,048,406)</u>	<u>70,553</u>
Unencumbered Fund Balance Beginning of Year	1,442,778	1,442,778	1,442,778	-
<i>Unencumbered Balance End of Year</i>	<u>1,005,513</u>	<u>323,819</u>	<u>394,372</u>	<u>70,553</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Permissive Motor Vehicle License Tax
For the Year Ended December 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 25,000	\$ 40,601	\$ 40,601	\$ -
Intergovernmental	10,775	24,533	24,533	-
Earnings on Investments	500	301	323	22
Miscellaneous	7,555	-	-	-
<i>Total Receipts</i>	<u>43,830</u>	<u>65,435</u>	<u>65,457</u>	<u>22</u>
Disbursements				
Current:				
Public Works	155,000	155,000	105,569	49,431
Debt Service:				
<i>Total Disbursements</i>	<u>155,000</u>	<u>155,000</u>	<u>105,569</u>	<u>49,431</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(111,170)</u>	<u>(89,565)</u>	<u>(40,112)</u>	<u>49,453</u>
Unencumbered Fund Balance Beginning of Year	<u>259,914</u>	<u>259,914</u>	<u>259,914</u>	<u>-</u>
<i>Unencumbered Balance End of Year</i>	<u><u>148,744</u></u>	<u><u>170,349</u></u>	<u><u>219,802</u></u>	<u><u>49,453</u></u>

See accompanying notes to the basic financial statements.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, cemetery maintenance, fire and emergency medical services and contracted police services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities.

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

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
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of Townships are divided into three categories, governmental, proprietary and fiduciary. The Township does not have proprietary and fiduciary funds.

Governmental Funds - Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

Gasoline Tax Fund - The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire and Emergency Levy Fund - The fire and emergency levy fund accounts for and reports property tax (inside millage), intergovernmental receipts, and contracted services for the purpose of providing residents with fire and emergency services.

Road and Bridge Fund - The road and bridge fund accounts for and reports property tax (inside millage) and intergovernmental receipts committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Permissive Motor Vehicle License Tax Fund - The permissive motor vehicle license tax fund accounts for and reports the permissive tax levied by the county and township.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Basis of Accounting

The Township’s financial statements are prepared using the 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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

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

The appropriations resolution is the Township’s authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

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

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

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”.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2021, the Township invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 2021 was \$2,039.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township did not have any restricted assets at December 31, 2021.

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

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

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Net Position

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

Fund Balance

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

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, gasoline tax fund, road and bridge fund, fire and emergency levy fund, and the permissive motor vehicle tax license fund 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 as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments

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

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

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

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

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

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. Except as noted above, 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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

Investments

As of December 31, 2021, the Township had the following investments:

Amortized Cost:	Measurement Value	Maturity
STAR Ohio	793,765	Less than 1 year
Total Portfolio	793,765	

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2021, was \$13.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	218,096,280
Public Utility Personal Property	5,989,220
Total	224,085,500

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 6 – Transfers

During the year a large developer in the Township gifted the Township with \$51,120 that could only be used for Fire Equipment and Vehicles. This money had to be placed in the General Fund until it could be placed in a new Special Revenue Fund. This money was transferred into that fund once established.

Note 7 – Risk Management

Risk Pool Membership

The (Township) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020*</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

* - Latest information available.

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Health, vision, dental, and life insurance are provided to employees who contribute to the cost of the insurance.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan

Plan Description – Township employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (Continued)

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund retirement allowance.

** These pension and employer health care rates are for the traditional plan. The employer contributions rate for the member-directed plan is all for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2021, the Township’s contractually required contribution was \$30,018.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. 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 and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (Continued)

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plan (Continued)

	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
 2021 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OP&F was \$293,520 for 2021.

Social Security

Part-time firefighters (not enrolled in OP&F with the Township) contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township had no contractually required contribution for 2021.

Ohio Police and Fire Pension Fund

Plan Description – 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 a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 9 – Postemployment Benefits (Continued)

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 health care coverage to eligible participants and to establish and amend benefits is 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – 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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care 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 Township's contractually required contribution to OP&F was \$6,820 for 2021.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Loans

Debt Issue	Interest Rate	Original Amount	Date of Maturity
2016 Chief Vehicle	2.75%	\$82,000	2021
Kenworth Dump Truck	3.25%	\$200,990	2023
OPWC Loan CQ15V	0.00%	\$24,410	2024
Tractor and Mower	3.97%	\$150,000	2024
F-550 Ambulance	3.40%	\$188,031	2025

The township has the following outstanding loans as of December 31, 2021:

	Amount Outstanding 12/31/20	Additions	Deletions	Amount Outstanding 12/31/21	Amounts Due in One Year
Kenworth Dump Truck	\$ 124,587	\$ -	\$ 40,136	\$ 84,452	\$ 41,514
Tractor and Mower	122,301	-	28,789	93,512	29,959
OPWC Loan CQ15V	19,528	-	4,882	14,646	4,882
2016 Chief Vehicles	16,969	-	16,969	-	-
F-550 Ambulance	188,031	-	35,101	152,930	36,311
Total	\$ 471,416	\$ -	\$ 125,877	\$ 345,540	\$ 112,666

In December 2016, the Township secured a loan from Vinton National Bank in the amount of \$82,000 for the purchase of vehicles for the fire chief. Terms of this loan require annual payments over 5 years at 2.75% APR.

In April 2018, the Township secured a loan from Vinton National Bank in the amount of \$200,990 for the purchase of a Kenworth Truck. Terms of this loan require annual payments over 5 years at 3.25% interest.

The Township entered into a loan agreement for \$24,410 with the Ohio Public Works Commission in accordance with § 164.05 of the Ohio Revised Code and §164-1-21 of the Ohio Administrative Code. This agreement was to help finance the street improvement project on Gibson Road Phase Id. The Township will pay Ohio Public Works Commission semi-annual payments for 5 years.

In September 2019, the Township secured a loan from Vinton National Bank in the amount of \$150,000 for the purchase of a Tractor and Mower. Terms of this loan require annual payments over 5 years at 3.97% interest.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt (Continued)

In June 2020, the Township secured a loan from Vinton National Bank in the amount of \$188,031 for the purchase of a Ford F-550 Ambulance. Terms of this loan require annual payments over 5 years at 3.40% interest.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

	Tractor and Mower	OPWC Loan CQ15V	Kenworth Dump Truck	F-550 Ambulance
Year ending December 31:				
2022	\$ 33,670	\$ 4,882	\$ 44,259	\$ 41,583
2023	33,670	4,882	44,259	41,583
2024	33,670	4,882	-	41,583
2025	-	-	-	41,583
Total	<u>\$ 101,010</u>	<u>\$ 14,646</u>	<u>\$ 88,518</u>	<u>\$ 166,332</u>

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Jointly Governed Organization

Beginning in 2014, Scioto Township has participated in and received income tax sharing compensation through one Joint Economic Development District (the District), formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the City of Grove City (the City), the Village of Commercial Point (the Village), and Scioto Township (the Township). The District is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District’s purpose is to promote and facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the District, the city, the village, and the township. The District levies a 2.00 percent income tax.

The District Board of Directors consists of three members, one member representing the City and the Village to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 3). After service of an initial term, terms for each member shall be four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The District operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if all parties agree in writing, said the contract may be terminated at any time. Any renewals of this contract shall only occur upon the written mutual agreement of the JEDD Parties.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 12 – Jointly Governed Organization (Continued)

As part of the contract forming the District, the Township, the City, and the Village provide certain services to the District. The Township will provide the same services that the Township provides for similarly situated properties included in the township outside of the District. The Township will also provide accommodation for meetings of the Board, maintenance of the records of the District and any necessary staffing for the Board. The City shall provide all services necessary for the administration, collection and enforcement of the District Income Tax pursuant to the Tax Agreement. The City will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the City. The City is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the City. The Village shall provide supplemental police response to the District upon the request of the Pickaway County Sheriff; subject, however, to availability and manpower as determined in the sole discretion of the Village. The Village will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the Village. The Village is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the Village.

On the tenth day of each quarter, the Administrator shall allocate the remaining amount of the District Income Tax then on deposit with the Administrator into three parts to be distributed to the JEDD Parties as follows:

1. To the City, an amount equal to 10 percent (10%) of the remaining amount. That amount may be used by the City for any lawful purpose.
2. To the Township, an amount equal to eighty-eight percent (88%) of the remaining amount. That amount may be used by the Township for any lawful purpose.
3. To the Village, an amount equal to two percent (2%) of the remaining amount. That amount may be used by the Village for any lawful purpose.

During 2021, Scioto Township received \$1,131,778 under the JEDD contract, which is distributed as Intergovernmental revenue in the General, Road and Bridge, Fire and Emergency Levy, and Permanent Improvement funds.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 13 – Fund Balances

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

Fund Balances	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire and Emergency Levy Fund	Permissive Motor Vehicle License Fund	Other Governmental Funds	Total
Restricted for							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,354	\$ 136,354
Cemetery	-	-	-	-	-	89,381	89,381
Emergency Medical Services	-	-	-	-	-	459,107	459,107
Fire Operations	-	-	-	394,372	-	301,120	695,492
Road and Bridge Maintenance and Improvements	-	108,614	294,009	-	219,802	40,771	663,196
<i>Total Restricted</i>	-	108,614	294,009	394,372	219,802	1,026,733	2,043,530
Assigned:							
Subsequent year's appropriation	141,439	-	-	-	-	-	141,439
Unassigned (Deficit)	369,920	-	-	-	-	-	369,920
<i>Total Fund Balances</i>	\$ 511,359	\$ 108,614	\$ 294,009	\$ 394,372	\$ 219,802	\$ 1,026,733	\$ 2,554,889

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Net Position - Cash Basis
 December 31, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,662,290
	\$2,662,290
Total Assets	
Net Position	
Restricted for:	
Capital Projects	\$123,931
Other Purposes	2,194,267
Unrestricted	344,092
	\$2,662,290
Total Net Position	

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY

Statement of Activities - Cash Basis

For the Year Ended December 31, 2020

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 185,816	\$ 4,820	\$ -	\$ (180,996)
Public Safety	2,482,898	308,971	544,214	(1,629,713)
Public Works	368,722	46,358	233,201	(89,163)
Health	42,151	9,540	448,762	416,151
Human Services	245	8,000	-	7,755
Other	-	21,045	-	21,045
Capital Outlay	418,188	-	55,241	(362,947)
Debt Service:				
Principal Retirement	97,735	-	-	(97,735)
Interest and Fiscal Charges	12,247	-	-	(12,247)
<i>Total Governmental Activities</i>	<u>3,608,002</u>	<u>398,734</u>	<u>1,281,418</u>	<u>(1,927,850)</u>
		General Receipts:		
		Property Taxes		1,994,924
		Grants and Entitlements not Restricted to Specific Programs		628,531
		Cable Franchise Fees		904
		Other Debt Proceeds		188,031
		Earnings on Investments		10,329
		Miscellaneous		138,818
		<i>Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers and Advances</i>		<u>2,961,537</u>
		<i>Change in Net Position</i>		<u>1,033,687</u>
		Net Position Beginning of Year (Restated)		<u>1,628,603</u>
		<i>Net Position End of Year</i>		<u><u>2,662,290</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2020

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE AND EMERGENCY LEVY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 344,092	\$ 117,176	\$ 271,806	\$ 1,442,778	\$ 486,438	\$ 2,662,290
<i>Total Assets</i>	<u>344,092</u>	<u>117,176</u>	<u>271,806</u>	<u>1,442,778</u>	<u>486,438</u>	<u>2,662,290</u>
Fund Cash Balances, December 31						
Restricted	\$ -	\$ 117,176	\$ 271,806	\$ 1,442,778	\$ 486,438	\$ 2,318,198
Unassigned	344,092	-	-	-	-	344,092
<i>Fund Cash Balances, December 31</i>	<u>344,092</u>	<u>117,176</u>	<u>271,806</u>	<u>1,442,778</u>	<u>486,438</u>	<u>2,662,290</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	GENERAL	GASOLINE TAX	ROAD AND BRIDGE	FIRE AND EMERGENCY LEVY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Receipts						
Property and Other Local Taxes	\$ 169,686	\$ -	\$ 250,285	\$ 1,551,010	\$ 35,669	\$ 2,006,650
Charges for Services	-	867	-	308,971	-	309,838
Licenses, Permits and Fees	25,902	-	-	-	17,540	43,442
Intergovernmental	156,228	140,446	100,964	1,005,785	541,096	1,944,519
Earnings on Investments	8,110	732	-	-	1,549	10,391
Miscellaneous	10,138	7,329	2,796	107,871	10,684	138,818
<i>Total Receipts</i>	<u>370,064</u>	<u>149,374</u>	<u>354,045</u>	<u>2,973,637</u>	<u>606,538</u>	<u>4,453,658</u>
Disbursements						
Current:						
General Government	185,816	-	-	-	-	185,816
Public Safety	92,156	-	-	2,028,499	362,243	2,482,898
Public Works	-	129,140	238,223	-	1,359	368,722
Health	34,881	-	-	-	7,270	42,151
Human Services	-	-	-	-	245	245
Capital Outlay	64,812	-	6,293	188,093	158,990	418,188
Debt Service:						
Principal Retirement	-	-	71,497	26,238	-	97,735
Interest and Fiscal Charges	-	-	11,314	933	-	12,247
<i>Total Disbursements</i>	<u>377,665</u>	<u>129,140</u>	<u>327,327</u>	<u>2,243,763</u>	<u>530,107</u>	<u>3,608,002</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,601)</u>	<u>20,234</u>	<u>26,718</u>	<u>729,874</u>	<u>76,431</u>	<u>845,656</u>
Other Financing Sources (Uses)						
Other Debt Proceeds	-	-	-	188,031	-	188,031
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,031</u>	<u>-</u>	<u>188,031</u>
<i>Net Change in Fund Balances</i>	(7,601)	20,234	26,718	917,905	76,431	1,033,687
Fund Balances Beginning of Year (Restated)	351,693	96,942	245,088	524,873	410,007	1,628,603
<i>Fund Balances End of Year</i>	<u>344,092</u>	<u>117,176</u>	<u>271,806</u>	<u>1,442,778</u>	<u>486,438</u>	<u>2,662,290</u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund

For the Year Ended December 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 142,568	\$ 169,689	\$ 169,686	\$ (3)
Licenses, Permits and Fees	40,380	21,976	25,902	3,926
Intergovernmental	144,433	156,394	156,228	(166)
Earnings on Investments	3,000	7,523	8,110	587
Miscellaneous	5,000	6,163	10,138	3,975
<i>Total Receipts</i>	<u>335,381</u>	<u>361,745</u>	<u>370,064</u>	<u>8,319</u>
Disbursements				
Current:				
General Government	323,603	323,447	185,816	137,631
Public Safety	15,000	92,156	92,156	-
Health	122,000	45,000	34,881	10,119
Conservation-Recreation	15,000	25,000	-	25,000
Capital Outlay	82,225	82,225	64,812	17,413
<i>Total Disbursements</i>	<u>557,828</u>	<u>567,828</u>	<u>377,665</u>	<u>190,163</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(222,447)</u>	<u>(206,083)</u>	<u>(7,601)</u>	<u>198,482</u>
<i>Net Change in Fund Balance</i>	<u>(222,447)</u>	<u>(206,083)</u>	<u>(7,601)</u>	<u>198,482</u>
Unencumbered Fund Balance Beginning of Year (Restated)	344,468	344,468	344,468	-
Prior Year Encumbrances Appropriated	7,225	7,225	7,225	-
<i>Unencumbered Balance End of Year</i>	<u><u>129,246</u></u>	<u><u>145,610</u></u>	<u><u>344,092</u></u>	<u><u>198,482</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
**Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax**

For the Year Ended December 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Charges for Services	\$ 5,000	\$ 867	\$ 867	\$ -
Intergovernmental	84,071	140,447	140,446	(1)
Earnings on Investments	600	711	732	21
Miscellaneous	350	3,202	7,329	4,127
<i>Total Receipts</i>	<u>90,021</u>	<u>145,227</u>	<u>149,374</u>	<u>4,147</u>
Disbursements				
Current:				
Public Works	133,350	136,181	129,140	7,041
<i>Total Disbursements</i>	<u>133,350</u>	<u>136,181</u>	<u>129,140</u>	<u>7,041</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(43,329)</u>	<u>9,046</u>	<u>20,234</u>	<u>11,188</u>
<i>Net Change in Fund Balance</i>	<u>(43,329)</u>	<u>9,046</u>	<u>20,234</u>	<u>11,188</u>
Unencumbered Fund Balance Beginning of Year	<u>96,942</u>	<u>96,942</u>	<u>96,942</u>	<u>-</u>
<i>Unencumbered Balance End of Year</i>	<u><u>53,613</u></u>	<u><u>105,988</u></u>	<u><u>117,176</u></u>	<u><u>11,188</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge

For the Year Ended December 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 243,711	\$ 250,284	\$ 250,285	\$ 1
Intergovernmental	83,169	100,964	100,964	-
Miscellaneous	1,100	13,573	2,796	(10,777)
<i>Total Receipts</i>	<u>327,980</u>	<u>364,821</u>	<u>354,045</u>	<u>(10,776)</u>
Disbursements				
Current:				
Public Works	375,027	369,613	287,223	82,390
Capital Outlay	1,500	6,900	6,293	607
Debt Service:				
Principal Retirement	111,661	111,661	71,497	40,164
Interest and Fiscal Charges	11,300	11,314	11,314	-
<i>Total Disbursements</i>	<u>499,488</u>	<u>499,488</u>	<u>376,327</u>	<u>123,161</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(171,508)</u>	<u>(134,667)</u>	<u>(22,282)</u>	<u>(112,385)</u>
<i>Net Change in Fund Balance</i>	<u>(171,508)</u>	<u>(134,667)</u>	<u>(22,282)</u>	<u>(112,385)</u>
Unencumbered Fund Balance Beginning of Year (Restated)	243,161	243,161	243,161	-
Prior Year Encumbrances Appropriated	1,927	1,927	1,927	-
<i>Unencumbered Balance End of Year</i>	<u><u>73,580</u></u>	<u><u>110,421</u></u>	<u><u>222,806</u></u>	<u><u>112,385</u></u>

See accompanying notes to the basic financial statements.

SCIOTO TOWNSHIP, PICKAWAY COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Fire and Emergency Levy
For the Year Ended December 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Receipts				
Property and Other Local Taxes	\$ 2,647,851	\$ 1,551,009	\$ 1,551,010	\$ 1
Charges for Services	310,000	281,429	308,971	27,542
Intergovernmental	933,851	1,197,641	1,005,785	(191,856)
Miscellaneous	2,000	57,555	107,871	50,316
<i>Total Receipts</i>	<u>3,893,702</u>	<u>3,087,634</u>	<u>2,973,637</u>	<u>(113,997)</u>
Disbursements				
Current:				
Public Safety	2,052,870	2,455,785	2,028,499	427,286
Capital Outlay	2,500	190,531	188,093	2,438
Debt Service:				
Principal Retirement	25,657	26,238	26,238	-
Interest and Fiscal Charges	1,366	1,366	933	433
<i>Total Disbursements</i>	<u>2,082,393</u>	<u>2,673,920</u>	<u>2,243,763</u>	<u>430,157</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,811,309</u>	<u>413,714</u>	<u>729,874</u>	<u>316,160</u>
Other Financing Sources (Uses)				
Other Debt Proceeds	-	188,031	188,031	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>188,031</u>	<u>188,031</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	1,811,309	601,745	917,905	316,160
Unencumbered Fund Balance Beginning of Year (Restated)	519,223	519,223	519,223	-
Prior Year Encumbrances Appropriated	5,650	5,650	5,650	-
<i>Unencumbered Balance End of Year</i>	<u>2,336,182</u>	<u>1,126,618</u>	<u>1,442,778</u>	<u>316,160</u>

See accompanying notes to the basic financial statements.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

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 Fiscal Officer.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, cemetery maintenance, fire and emergency medical services and contracted police services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities.

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

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
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of Townships are divided into three categories, governmental, proprietary and fiduciary. The Township did not have any proprietary or fiduciary funds.

Governmental Funds - Governmental funds are those through which most governmental functions of the Township are financed. The following are the Township's major governmental funds:

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

Gasoline Tax Fund - The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire and Emergency Levy Fund - The fire and emergency levy fund accounts for and reports property tax (inside millage), intergovernmental receipts, and contracted services for the purpose of providing residents with fire and emergency services.

Road and Bridge Fund - The road and bridge fund accounts for and reports property tax (inside millage) and intergovernmental receipts committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

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

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

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

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

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

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

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".

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2020, the Township invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2020 was \$8,110.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township did not have any restricted assets at December 31, 2020.

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

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

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Net Position

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

Fund Balance

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

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, gasoline tax fund, road and bridge fund, and the fire and emergency levy fund 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 as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

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

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

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

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

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (Continued)

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

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. Except as noted above, 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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (Continued)

Investments

As of December 31, 2020, the Township had the following investments:

Amortized Cost:	Measurement Value	Maturity
STAR Ohio	793,117	Less than 1 year
Total Portfolio	793,117	

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard ratings service.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2020, was \$13.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property	212,572,630
Public Utility Personal Property	5,543,200
Total	218,115,830

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 6 – Risk Management

Risk Pool Membership

The (Township) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Health, vision, dental, and life insurance are provided to employees who contribute to the cost of the insurance.

Note 7 – Defined Benefit Pension Plan

Plan Description – Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plan (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7– Defined Benefit Pension Plan (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund retirement allowance.

** These pension and employer health care rates are for the traditional plan. The employer contributions rate for the member-directed plan is all for health care with the remainder going to pension.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plan (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township's contractually required contribution was \$26,391 for year 2020.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description – Township full-time firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OPF Annual Comprehensive Financial Report ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plan (Continued)

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member’s base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
 2020 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OPF was \$287,002 for 2020.

Social Security

Part-time firefighters (not enrolled in OPF with the Township) contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, 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 postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' ACFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 – Postemployment Benefits (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans.

Substantially all of the Township’s contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. There were no required contributions to OPERS for 2020.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 – Postemployment Benefits (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care 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 required contribution to OPF was \$5,780 for 2020.

Note 9 – Debt

Loans

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Date of Maturity</u>
2016 Stryker Cot	0.00%	\$46,283	2020
2016 Chief Vehicles	2.75%	\$82,000	2021
Kenworth Dump Truck	3.25%	\$200,990	2023
OPWC Loan CQ15V	0.00%	\$24,410	2025
Tractor and Mower	3.97%	\$150,000	2024
F-550 Ambulance	3.40%	\$188,031	2025

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (Continued)

The township has the following outstanding loans as of December 31, 2020:

	Amount Outstanding (Restated)* 12/31/19	Additions	Deletions	Amount Outstanding 12/31/20	Amounts Due in One Year
Kenworth Dump Truck	\$ 163,503	\$ -	\$ 38,916	\$ 124,587	\$ 40,136
Tractor and Mower	150,000	-	27,699	122,301	28,789
OPWC Loan CQ15V	24,410	-	4,882	19,528	4,882
2016 Stryker Cot	9,719	-	9,719	-	-
2016 Chief Vehicle	33,488	-	16,519	16,969	16,969
F-550 Ambulance	-	188,031	-	188,031	35,101
Totals	\$ 381,120	\$ 188,031	\$ 97,735	\$ 471,416	\$ 25,877

* - The Township had made an overpayment on another loan, OPWC then moved the monies on the overpayment to Loan CQ28T to accelerate the loan's principal. At the conclusion of 2019, the loan was fully paid.

In March 2016, the Township financed a cot system through Stryker Flex Financial in the amount of 46,283. Terms of this loan require annual payments over 5 years at 0% APR.

In December 2016, the Township secured a loan from Vinton National Bank in the amount of \$82,000 for the purchase of vehicles for the fire chief. Terms of this loan require annual payments over 5 years at 2.75% APR.

In April 2018, the Township secured a loan from Vinton National Bank in the amount of \$200,990 for the purchase of a Kenworth Truck. Terms of this loan require annual payments over 5 years at 3.25% interest.

The Township entered into a loan agreement for \$24,410 with the Ohio Public Works Commission in accordance with § 164.05 of the Ohio Revised Code and §164-1-21 of the Ohio Administrative Code. This agreement was to help finance the street improvement project on Gibson Road Phase Id. The Township will pay Ohio Public Works Commission semi-annual payments for 5 years.

In September 2019, the Township secured a loan from Vinton National Bank in the amount of \$150,000 for the purchase of a Tractor and Mower. Terms of this loan require annual payments over 5 years at 3.97% interest.

In June 2020, the Township secured a loan from Vinton National Bank in the amount of \$188,031 for the purchase of a Ford F-550 Ambulance. Terms of this loan require annual payments over 5 years at 3.40% interest.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (Continued)

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

	2016 Chief Vehicles	Tractor and Mower	OPWC Loan CQ15V	Kenworth Dump Truck	F-550 Ambulance
Year ending December 31:					
2021	\$ 17,430	\$ 33,670	\$ 4,882	\$ 44,259	\$ 41,583
2022	-	33,670	4,882	44,259	41,583
2023	-	33,670	4,882	44,259	41,583
2024	-	33,670	4,882	-	41,583
2025	-	-	-	-	41,583
Total	<u>\$ 17,430</u>	<u>\$ 134,680</u>	<u>\$ 19,528</u>	<u>\$ 132,777</u>	<u>\$ 207,915</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Jointly Governed Organization

Beginning in 2014, Scioto Township has participated in and received income tax sharing compensation through one Joint Economic Development District (the District), formed in accordance with Ohio Revised Code (ORC) Sections 715.72 through 715.81 as a result of an agreement between the City of Grove City (the City), the Village of Commercial Point (the Village), and Scioto Township (the Township). The District is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District's purpose is to promote and facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the District, the city, the village, and the township. The District levies a 2.00 percent income tax.

The District Board of Directors consists of three members, one member representing the City and the Village to serve a term of one year (Board Member No. 1), one member representing the Township to serve a term of two years (Board Member No. 2), and one member selected by the other members to serve a term of four years as chairperson of the Board (Board Member No. 3). After service of an initial term, terms for each member shall be four years. A member may be reappointed to the Board, but no member shall serve more than two consecutive terms on the Board. The District operates on a calendar year basis. The term of the contract shall be for fifty (50) years, provided however, that if all parties agree in writing, said the contract may be terminated at any time. Any renewals of this contract shall only occur upon the written mutual agreement of the JEDD Parties.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 – Jointly Governed Organization (Continued)

As part of the contract forming the District, the Township, the City, and the Village provide certain services to the District. The Township will provide the same services that the Township provides for similarly situated properties included in the township outside of the District. The Township will also provide accommodation for meetings of the Board, maintenance of the records of the District and any necessary staffing for the Board. The City shall provide all services necessary for the administration, collection and enforcement of the District Income Tax pursuant to the Tax Agreement. The City will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the City. The City is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the City. The Village shall provide supplemental police response to the District upon the request of the Pickaway County Sheriff; subject, however, to availability and manpower as determined in the sole discretion of the Village. The Village will also engage in economic development activities which serve to complement and benefit potential economic development areas located in, adjacent to and/or around the District as determined in the sole discretion of the Village. The Village is not expected or required to undertake any promotional activity to the detriment of development areas located within the boundaries of the Village.

On the tenth day of each quarter, the Administrator shall allocate the remaining amount of the District Income Tax then on deposit with the Administrator into three parts to be distributed to the JEDD Parties as follows:

1. To the City, an amount equal to 10 percent (10%) of the remaining amount. That amount may be used by the City for any lawful purpose.
2. To the Township, an amount equal to eighty-eight percent (88%) of the remaining amount. That amount may be used by the Township for any lawful purpose.
3. To the Village, an amount equal to two percent (2%) of the remaining amount. That amount may be used by the Village for any lawful purpose.

During 2021, Scioto Township received \$1,104,814 under the JEDD contract, which is distributed as Intergovernmental revenue in the General, Road and Bridge, Fire and Emergency, and Permanent Improvement funds.

Scioto Township
Pickaway County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 – Fund Balances

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

Fund Balances	General Fund	Gasoline Tax Fund	Road and Bridge Fund	Fire and Emergency Fund	Other Governmental Funds	Total
Restricted for						
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 79,765	\$ 79,765
Cemetery	-	-	-	-	78,783	78,783
Emergency Medical Services	-	-	-	-	44,886	44,886
Fire Operations	-	-	-	1,442,778	-	1,442,778
Road and Bridge Maintenance and Improvements	-	117,176	271,806	-	283,004	671,986
<i>Total Restricted</i>	<u>-</u>	<u>117,176</u>	<u>271,806</u>	<u>1,442,778</u>	<u>486,438</u>	<u>2,318,198</u>
Unassigned (Deficit)	<u>344,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,092</u>
<i>Total Fund Balances</i>	<u>\$ 344,092</u>	<u>\$ 117,176</u>	<u>\$ 271,806</u>	<u>\$ 1,442,778</u>	<u>\$ 486,438</u>	<u>\$ 2,662,290</u>

Note 13 - Fund Balance Restatement

For 2020, the Township restated the beginning General, Road and Bridge (Special Revenue Fund), and Fire and Emergency Levy (Special Revenue Fund) fund balances due to over posted receipts. Below are the restated fund amounts:

	Balance January 1, 2020	Adjustment	Restated Balance
General Fund	\$ 351,791	\$ (98)	\$ 351,693
Road and Bridge Fund	245,243	(155)	245,088
Fire and Emergency Levy Fund	525,780	(907)	524,873
Governmental	1,629,764	(1,161)	1,628,603

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Scioto Township
Pickaway County
6752 State Route 762
PO Box 40
Commercial Point, Ohio 43116

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scioto Township, Pickaway County, Ohio, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Scioto Township's basic financial statements and have issued our report thereon dated May 5, 2022, wherein we noted the Scioto Township uses a special purpose framework other than generally accepted accounting principles. Furthermore, as discussed in Note 14 to the financial statements for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Scioto Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Scioto Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Scioto Township's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scioto Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Scioto Township's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Scioto Township's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. Scioto Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scioto Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scioto Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
May 5, 2022

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2021-001

Material Weakness – Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

Certain adjustments were made to the financial statements and note disclosures to properly state amounts in 2021 and 2020. The audited financial statements, note disclosures, and Township records for 2021 and 2020 have been adjusted for the misstatements identified during the audit cycle.

Control procedures not properly developed related to the financial statements limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

We recommend Scioto Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Township will work to provide a sound fiscal environment and implement additional policies and procedures to help correct these issues moving forward.

**SCIOTO TOWNSHIP
PICKAWAY COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2021**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2019-001	2019	<u>Material Weakness</u> – Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Township’s internal controls over financial reporting.	Not Corrected	Finding re-issued as 2021-001.
2019-002	2019	<u>Noncompliance</u> – The Fiscal Officer’s certificate was not utilized for several material disbursements made by the Township. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.	Partially Corrected	The Township now uses the Fiscal Officer’s Certificate, however, some Purchase Orders were dated after the Invoice Date, a Management Letter has been issued.

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OHIO AUDITOR OF STATE KEITH FABER



SCIOTO TOWNSHIP

PICKAWAY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/12/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov