



**SALT ROCK TOWNSHIP
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**SALT ROCK TOWNSHIP
MARION COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis – December 31, 2009.....	9
Statement of Activities – Cash Basis – For the Year Ended December 31, 2009.....	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds - December 31, 2009.....	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2009.....	12
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – General Fund - For the Year Ended December 31, 2009.....	13
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Gasoline Tax Fund - For the Year Ended December 31, 2009.....	14
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Fire District Fund - For the Year Ended December 31, 2009.....	15
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Special Levy Fund - For the Year Ended December 31, 2009.....	16
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis – December 31, 2008.....	17
Statement of Activities – Cash Basis – For the Year Ended December 31, 2008.....	18

**SALT ROCK TOWNSHIP
MARION COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds - December 31, 2008.....	19
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2008.....	20
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – General Fund - For the Year Ended December 31, 2008.....	21
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Gasoline Tax Fund - For the Year Ended December 31, 2008.....	22
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Fire District Fund - For the Year Ended December 31, 2008.....	23
Statement of Receipts, Disbursements, and Change in Fund Balance - Budget and Actual – Budget Basis – Special Levy Fund - For the Year Ended December 31, 2008.....	24
Notes to the Basic Financial Statements	25
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	35
Schedule of Findings	37
Schedule of Prior Year Findings	38



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Salt Rock Township
Marion County
5764 Morral-Kirkpatrick Road West
Morral, Ohio 43337

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Salt Rock Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

July 23, 2010

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

This discussion and analysis of Salt Rock Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and December 31, 2008, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$26,572, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the Gasoline Tax Fund.

The Township's receipts are primarily property and gasoline tax income. These receipts represent respectively 25 and 39 percent of the total cash received for governmental activities during the year. Property and gasoline tax receipts for 2009 have remained fairly consistent compared to 2008.

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$19,473. The fund most affected by the increase in cash and cash equivalents was the Gasoline Tax Fund.

The Township's receipts are primarily property and gasoline tax income. These receipts represent respectively 16 and 26 percent of the total cash received for governmental activities during the year. Gasoline tax and property tax receipts have remained about the same within the Township compared to 2007.

Using the Basic Financial Statements

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

Report Components

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

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

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Basis of Accounting

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

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

Reporting the Township as a Whole

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

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

In the statement of net assets and the statement of activities, the Township has Governmental activities only. The Township's basic services are reported in Governmental Activities. State and federal grants, property and gasoline taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

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

The governmental fund financial statements provide a detailed view of the Township's operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2009 and 2008 the Township's major governmental funds are the General, Gasoline Tax, Fire District, Special Levy, Capital Projects, and Debt Service Funds.

The Township as a Whole

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

(Table 1)

Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$630,760	\$604,188	\$584,715
Total Assets	\$630,760	\$604,188	\$584,715
Net Assets			
Restricted for:			
Expendable	\$530	\$486	\$441
Non Expendable	1,000	1,000	1,000
Other Purposes	511,176	454,157	406,327
Unrestricted	118,054	148,545	176,947
Total Net Assets	\$630,760	\$604,188	\$584,715

As mentioned previously, net assets of governmental activities increased \$26,572 during 2009 and \$19,473 during 2008. The primary reasons contributing to the increase in cash balances are as follows:

Gasoline tax fund balance has increased over both 2009 and 2008 as disbursements in the Gasoline Tax Fund have not exceeded the gasoline tax intergovernmental revenues posted for either year.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets on a cash basis from 2009 to 2008 and 2008 to 2007 for governmental activities, and total primary government.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$46,080	\$43,039	\$51,217
Operating Grants and Contributions	93,065	96,297	95,100
Capital Grants and Contributions	0	111,893	0
Total Program Receipts	<u>139,145</u>	<u>251,229</u>	<u>146,317</u>
General Receipts:			
Property and Other Local Taxes	63,513	64,598	68,588
Grants and Entitlements Not Restricted to Specific Programs	14,827	18,484	12,771
Earnings on Investments	3,399	7,419	10,752
Miscellaneous	108	135	235
Total General Receipts	<u>81,847</u>	<u>90,636</u>	<u>92,346</u>
Total Receipts	<u>220,992</u>	<u>341,865</u>	<u>238,663</u>
Disbursements:			
General Government	70,068	75,701	39,203
Public Safety	35,735	39,084	40,253
Public Works	58,604	29,570	71,088
Health	3,958	2,791	2,683
Capital Outlay	0	149,191	0
Debt Service:			
Principal Retirement	20,927	19,812	18,755
Interest and Fiscal Charges	5,128	6,243	7,300
Total Disbursements	<u>194,420</u>	<u>322,392</u>	<u>179,282</u>
Increase in Net Assets	26,572	19,473	59,381
Net Assets, January 1	<u>604,188</u>	<u>584,715</u>	<u>525,334</u>
Net Assets, December 31	<u>\$630,760</u>	<u>\$604,188</u>	<u>\$584,715</u>

Program receipts represent 63% and 73%, for 2009 and 2008 respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges for fire protection services provided to Big Island and Grand Prairie Townships under contract.

General receipts represent 37% of the Township's total receipts in 2009 and 27% in 2008, and 29% of total receipts are Property and Other Local Taxes in 2009 and 19% in 2008. State and federal grants and entitlements make up 18% and 21% of the Township's general receipts in 2009 and 2008. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for other Township activities. These include the costs of Trustees, Fiscal Officer, and Volunteer Fire Department as well as internal services such as payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities on page 10 for 2009 and page 18 for 2008, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities for 2009 are for general government and public works, which account for 36% and 30%, respectively, of all governmental disbursements. The major program disbursements for governmental activities for 2008 are for capital outlay and general government, which account for 46% and 23%, respectively, of all governmental disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$70,068	(\$70,068)	\$75,701	(\$75,701)	\$39,203	(\$39,203)
Public Safety	35,735	10,265	39,084	3,916	40,253	10,747
Public Health Services	3,958	(3,958)	2,791	(2,791)	2,683	(2,683)
Public Works	58,604	34,461	29,570	178,620	71,088	24,012
Other	0	80	0	39	0	217
Capital Outlay	0	0	149,191	(149,191)	0	0
Principal Retirement	20,927	(20,927)	19,811	(19,811)	18,755	(18,755)
Interest and Fiscal Charges	5,128	(5,128)	6,243	(6,243)	7,300	(7,300)
Total Expenses	\$194,420	(\$55,275)	\$322,391	(\$71,162)	\$179,282	(\$32,965)

The dependence upon property tax receipts is shown in the table above as over 28% in 2009 and 22% in 2008 of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts and other financing sources of \$247,047 in 2009 and \$367,919 in 2008 and disbursements and other financing uses of \$220,475 in 2009 and \$348,446 in 2008. The greatest change within governmental funds occurred within the Gasoline Tax Fund. The fund balance of the Gasoline Tax Fund increased \$31,357 in 2009 and \$27,408 in 2008 as the result of expenditures not exceeding the gasoline tax intergovernmental receipts.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(Continued)**

Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The Township did not amend its General Fund budget in 2009 or 2008.

Debt Administration

Debt

At December 31, 2009, the Township's outstanding debt included \$78,165 which includes interest in debt service obligations issued for the purchase of a new fire truck. For further information regarding the Township's debt, refer to Note 6 to the basic financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. The only large spending will be done for anticipated public safety equipment with the anticipation of receiving a Federal grant. We expect to spend more for road maintenance and repair due to the increase in cost of labor and equipment.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sharon K. Bosley, Fiscal Officer, 5764 Morral-Kirkpatrick Rd. W. Morral, Ohio 43337.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$630,759.78
<i>Total Assets</i>	<u><u>\$630,759.78</u></u>
Net Assets	
Restricted for:	
Expendable	\$529.95
Nonexpendable	1,000.00
Other Purposes	511,175.78
Unrestricted	<u>118,054.05</u>
<i>Total Net Assets</i>	<u><u>\$630,759.78</u></u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes In Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$70,068.29	\$0.00	\$0.00	(\$70,068.29)
Public Safety	35,735.47	46,000.00	0.00	\$10,264.53
Public Works	58,603.76	0.00	93,064.54	\$34,460.78
Health	3,957.49	0.00	0.00	(\$3,957.49)
Other	0.00	80.00	0.00	\$80.00
Debt Service:				
Principal	20,927.33	0.00	0.00	(\$20,927.33)
Interest	5,127.67	0.00	0.00	(\$5,127.67)
<i>Total Governmental Activities</i>	<u>\$194,420.01</u>	<u>\$46,080.00</u>	<u>\$93,064.54</u>	<u>(\$55,275.47)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				\$31,790.66
Other Purposes				31,722.21
Grants and Entitlements not Restricted to Specific Programs				14,827.13
Earnings on Investments				3,399.18
Miscellaneous				108.00
Total General Receipts				81,847.18
Change in Net Assets				26,571.71
<i>Net Assets Beginning of Year</i>				<u>604,188.07</u>
<i>Net Assets End of Year</i>				<u>\$630,759.78</u>

See accompanying notes to the basic financial statements

SALT ROCK TOWNSHIP
MARION COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	GENERAL	GASOLINE TAX	FIRE DISTRICT	SPECIAL LEVY	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$118,054.05	\$243,522.94	\$126,093.50	\$93,340.31	\$0.00	\$49,748.98	\$630,759.78
<i>Total Assets</i>	<u>\$118,054.05</u>	<u>\$243,522.94</u>	<u>\$126,093.50</u>	<u>\$93,340.31</u>	<u>\$0.00</u>	<u>\$49,748.98</u>	<u>\$630,759.78</u>
Fund Balances							
Reserved:							
Reserved for Permanent Fund Purpose	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Unreserved:							
Undesignated, Reported in:							
General Fund	118,054.05	0.00	0.00	0.00	0.00	0.00	\$118,054.05
Special Revenue Funds	0.00	243,522.94	126,093.50	93,340.31	0.00	48,219.03	511,175.78
Permanent Fund	0.00	0.00	0.00	0.00	0.00	529.95	529.95
<i>Total Fund Balances</i>	<u>\$118,054.05</u>	<u>\$243,522.94</u>	<u>\$126,093.50</u>	<u>\$93,340.31</u>	<u>\$0.00</u>	<u>\$49,748.98</u>	<u>\$630,759.78</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	GENERAL	GASOLINE TAX	FIRE DISTRICT	SPECIAL LEVY	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$23,571.12	\$0.00	\$0.00	\$31,722.21	\$0.00	\$0.00	\$55,293.33
Charges for Services	0.00	0.00	46,000.00	0.00	0.00	0.00	46,000.00
Licenses, Permits and Fees	80.00	0.00	0.00	0.00	0.00	0.00	80.00
Intergovernmental	18,342.75	86,829.97	0.00	4,703.92	0.00	6,234.57	116,111.21
Earnings on Investments	1,693.12	1,377.71	0.00	0.00	0.00	328.35	3,399.18
Miscellaneous	88.00	0.00	20.00	0.00	0.00	0.00	108.00
Total Receipts	43,774.99	88,207.68	46,020.00	36,426.13	0.00	6,562.92	220,991.72
Disbursements							
Current:							
General Government	70,068.29	0.00	0.00	0.00	0.00	0.00	70,068.29
Public Safety	240.00	0.00	34,029.36	1,466.11	0.00	0.00	35,735.47
Public Works	0.00	56,851.01	0.00	0.00	0.00	1,752.75	58,603.76
Health	3,957.49	0.00	0.00	0.00	0.00	0.00	3,957.49
Debt Service:							
Principal Retirement	0.00	0.00	0.00	0.00	20,927.33	0.00	20,927.33
Interest and Fiscal Charges	0.00	0.00	0.00	0.00	5,127.67	0.00	5,127.67
Total Disbursements	74,265.78	56,851.01	34,029.36	1,466.11	26,055.00	1,752.75	194,420.01
Excess of Receipts Over (Under) Disbursements	(30,490.79)	31,356.67	11,990.64	34,960.02	(26,055.00)	4,810.17	26,571.71
Other Financing Sources (Uses)							
Transfers In	0.00	0.00	0.00	0.00	26,055.00	0.00	26,055.00
Transfers Out	0.00	0.00	0.00	(26,055.00)	0.00	0.00	(26,055.00)
Total Other Financing Sources (Uses)	0.00	0.00	0.00	(26,055.00)	26,055.00	0.00	0.00
Net Change in Fund Balances	(30,490.79)	31,356.67	11,990.64	8,905.02	0.00	4,810.17	26,571.71
Fund Balances Beginning of Year	148,544.84	212,166.27	114,102.86	84,435.29	0.00	44,938.81	604,188.07
Fund Balances End of Year	\$118,054.05	\$243,522.94	\$126,093.50	\$93,340.31	\$0.00	\$49,748.98	\$630,759.78

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$26,829.00	\$26,829.00	\$23,571.12	(\$3,257.88)
Licenses, Permits and Fees	0.00	0.00	80.00	80.00
Intergovernmental	8,800.00	8,800.00	18,342.75	9,542.75
Earnings on Investments	1,000.00	1,000.00	1,693.12	693.12
Miscellaneous	50.00	50.00	88.00	38.00
<i>Total receipts</i>	<u>36,679.00</u>	<u>36,679.00</u>	<u>43,774.99</u>	<u>7,095.99</u>
Disbursements				
Current:				
General Government	137,841.00	137,841.00	70,068.29	67,772.71
Public Safety	9,000.00	9,000.00	240.00	8,760.00
Health	15,000.00	15,000.00	3,957.49	11,042.51
Capital Outlay	21,300.00	21,300.00	0.00	21,300.00
<i>Total Disbursements</i>	<u>183,141.00</u>	<u>183,141.00</u>	<u>74,265.78</u>	<u>108,875.22</u>
<i>Net Change in Fund Balance</i>	(146,462.00)	(146,462.00)	(30,490.79)	115,971.21
<i>Fund Balance Beginning of Year</i>	<u>148,544.84</u>	<u>148,544.84</u>	<u>148,544.84</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$2,082.84</u>	<u>\$2,082.84</u>	<u>\$118,054.05</u>	<u>\$115,971.21</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$75,000.00	\$75,000.00	\$86,829.97	\$11,829.97
Earnings on Investments	2,000.00	2,000.00	1,377.71	(\$622.29)
<i>Total receipts</i>	<u>77,000.00</u>	<u>77,000.00</u>	<u>88,207.68</u>	<u>11,207.68</u>
Disbursements				
Current:				
Public Works	198,000.00	198,000.00	56,851.01	141,148.99
Capital Outlay	89,000.00	89,000.00	0.00	89,000.00
<i>Total Disbursements</i>	<u>287,000.00</u>	<u>287,000.00</u>	<u>56,851.01</u>	<u>230,148.99</u>
<i>Net Change in Fund Balance</i>	(210,000.00)	(210,000.00)	31,356.67	241,356.67
<i>Fund Balance Beginning of Year</i>	<u>212,166.27</u>	<u>212,166.27</u>	<u>212,166.27</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$2,166.27</u>	<u>\$2,166.27</u>	<u>\$243,522.94</u>	<u>\$241,356.67</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$46,000.00	\$46,000.00	\$46,000.00	\$0.00
Miscellaneous	0.00	0.00	20.00	20.00
<i>Total receipts</i>	<u>46,000.00</u>	<u>46,000.00</u>	<u>46,020.00</u>	<u>20.00</u>
Disbursements				
Current:				
Public Safety	133,000.00	133,000.00	34,029.36	98,970.64
Capital Outlay	24,000.00	24,000.00	0.00	24,000.00
<i>Total Disbursements</i>	<u>157,000.00</u>	<u>157,000.00</u>	<u>34,029.36</u>	<u>122,970.64</u>
<i>Net Change in Fund Balance</i>	(111,000.00)	(111,000.00)	11,990.64	122,990.64
<i>Fund Balance Beginning of Year</i>	<u>114,102.86</u>	<u>114,102.86</u>	<u>114,102.86</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,102.86</u></u>	<u><u>\$3,102.86</u></u>	<u><u>\$126,093.50</u></u>	<u><u>\$122,990.64</u></u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$36,045.00	\$36,045.00	\$31,722.21	(\$4,322.79)
Intergovernmental	2,000.00	2,000.00	4,703.92	2,703.92
<i>Total receipts</i>	<u>38,045.00</u>	<u>38,045.00</u>	<u>36,426.13</u>	<u>(1,618.87)</u>
Disbursements				
Current:				
Public Safety	54,000.00	54,000.00	1,466.11	52,533.89
Capital Outlay	40,000.00	40,000.00	0.00	40,000.00
<i>Total Disbursements</i>	<u>94,000.00</u>	<u>94,000.00</u>	<u>1,466.11</u>	<u>92,533.89</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(55,955.00)</u>	<u>(55,955.00)</u>	<u>34,960.02</u>	<u>90,915.02</u>
Other Financing Uses				
Transfers Out	<u>(26,055.00)</u>	<u>(26,055.00)</u>	<u>(26,055.00)</u>	<u>0.00</u>
<i>Net Change in Fund Balance</i>	<u>(82,010.00)</u>	<u>(82,010.00)</u>	<u>8,905.02</u>	<u>90,915.02</u>
<i>Fund Balance Beginning of Year</i>	<u>84,435.29</u>	<u>84,435.29</u>	<u>84,435.29</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$2,425.29</u>	<u>\$2,425.29</u>	<u>\$93,340.31</u>	<u>\$90,915.02</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$604,188.07
<i>Total Assets</i>	<u>\$604,188.07</u>
Net Assets	
Restricted for:	
Expendable	\$485.71
Nonexpendable	1,000.00
Other Purposes	454,157.52
Unrestricted	<u>148,544.84</u>
<i>Total Net Assets</i>	<u>\$604,188.07</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes In Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$75,700.78	\$0.00	\$0.00	\$0.00	(\$75,700.78)
Public Safety	39,083.84	43,000.00	0.00	0.00	3,916.16
Public Works	29,569.71	0.00	96,296.68	111,893.01	178,619.98
Health	2,790.92	0.00	0.00	0.00	(2,790.92)
Other	0.00	39.00	0.00	0.00	39.00
Capital Outlay	149,190.67	0.00	0.00	0.00	(149,190.67)
Debt Service:					
Principal	19,811.60	0.00	0.00	0.00	(19,811.60)
Interest	6,243.40	0.00	0.00	0.00	(6,243.40)
<i>Total Governmental Activities</i>	<u>\$322,390.92</u>	<u>\$43,039.00</u>	<u>\$96,296.68</u>	<u>\$111,893.01</u>	<u>(\$71,162.23)</u>
General Receipts					
Property Taxes Levied for:					
General Purposes					\$32,153.80
Other Purposes					32,443.91
Grants and Entitlements not Restricted to Specific Programs					18,483.57
Earnings on Investments					7,419.36
Miscellaneous					135.11
Total General Receipts					90,635.75
Change in Net Assets					19,473.52
<i>Net Assets Beginning of Year</i>					584,714.55
<i>Net Assets End of Year</i>					<u>\$604,188.07</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	GENERAL	GASOLINE TAX	FIRE DISTRICT	SPECIAL LEVY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$148,544.84	\$212,166.27	\$114,102.86	\$84,435.29	\$0.00	\$44,938.81	\$604,188.07
<i>Total Assets</i>	<u>\$148,544.84</u>	<u>\$212,166.27</u>	<u>\$114,102.86</u>	<u>\$84,435.29</u>	<u>\$0.00</u>	<u>\$44,938.81</u>	<u>\$604,188.07</u>
Fund Balances							
Reserved:							
Reserved for Permanent Fund Purpose	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00
Unreserved:							
Undesignated, Reported in:							
General Fund	148,544.84	0.00	0.00	0.00	0.00	0.00	\$148,544.84
Special Revenue Funds	0.00	212,166.27	114,102.86	84,435.29	0.00	43,453.10	454,157.52
Permanent Fund	0.00	0.00	0.00	0.00	0.00	485.71	485.71
<i>Total Fund Balances</i>	<u>\$148,544.84</u>	<u>\$212,166.27</u>	<u>\$114,102.86</u>	<u>\$84,435.29</u>	<u>\$0.00</u>	<u>\$44,938.81</u>	<u>\$604,188.07</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	GENERAL	GASOLINE TAX	FIRE DISTRICT	SPECIAL LEVY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$24,090.10	\$0.00	\$0.00	\$32,443.91	\$0.00	\$0.00	\$56,534.01
Charges for Services	0.00	0.00	43,000.00	0.00	0.00	0.00	43,000.00
Licenses, Permits and Fees	39.00	0.00	0.00	0.00	0.00	0.00	39.00
Intergovernmental	21,938.51	89,805.51	0.00	4,608.76	111,893.01	6,491.17	234,736.96
Earnings on Investments	4,162.93	2,896.89	0.00	0.00	0.00	359.54	7,419.36
Miscellaneous	69.11	0.00	66.00	0.00	0.00	0.00	135.11
Total Receipts	50,299.65	92,702.40	43,066.00	37,052.67	111,893.01	6,850.71	341,864.44
Disbursements							
Current:							
General Government	75,700.78	0.00	0.00	0.00	0.00	0.00	75,700.78
Public Safety	210.00	0.00	38,046.72	827.12	0.00	0.00	39,083.84
Public Works	0.00	27,996.51	0.00	0.00	0.00	1,573.20	29,569.71
Health	2,790.92	0.00	0.00	0.00	0.00	0.00	2,790.92
Capital Outlay	0.00	37,297.66	0.00	0.00	111,893.01	0.00	149,190.67
Debt Service:							
Principal Retirement	0.00	0.00	0.00	0.00	0.00	19,811.60	19,811.60
Interest and Fiscal Charges	0.00	0.00	0.00	0.00	0.00	6,243.40	6,243.40
Total Disbursements	78,701.70	65,294.17	38,046.72	827.12	111,893.01	27,628.20	322,390.92
Excess of Receipts Over (Under) Disbursements	(28,402.05)	27,408.23	5,019.28	36,225.55	0.00	(20,777.49)	19,473.52
Other Financing Sources (Uses)							
Transfers In	0.00	0.00	0.00	0.00	0.00	26,055.00	26,055.00
Transfers Out	0.00	0.00	0.00	(26,055.00)	0.00	0.00	(26,055.00)
Total Other Financing Sources (Uses)	0.00	0.00	0.00	(26,055.00)	0.00	26,055.00	0.00
Net Change in Fund Balances	(28,402.05)	27,408.23	5,019.28	10,170.55	0.00	5,277.51	19,473.52
Fund Balances Beginning of Year	176,946.89	184,758.04	109,083.58	74,264.74	0.00	39,661.30	584,714.55
Fund Balances End of Year	\$148,544.84	\$212,166.27	\$114,102.86	\$84,435.29	\$0.00	\$44,938.81	\$604,188.07

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$26,206.00	\$26,206.00	\$24,090.10	(\$2,115.90)
Licenses, Permits and Fees	50.00	50.00	39.00	(11.00)
Intergovernmental	7,000.00	7,000.00	21,938.51	14,938.51
Earnings on Investments	1,000.00	1,000.00	4,162.93	3,162.93
Miscellaneous	150.00	150.00	69.11	(80.89)
<i>Total Receipts</i>	<u>34,406.00</u>	<u>34,406.00</u>	<u>50,299.65</u>	<u>15,893.65</u>
Disbursements				
Current:				
General Government	132,265.00	152,841.00	75,700.78	77,140.22
Public Safety	12,000.00	12,000.00	210.00	11,790.00
Health	16,000.00	16,000.00	2,790.92	13,209.08
Capital Outlay	50,000.00	29,424.00	0.00	29,424.00
<i>Total Disbursements</i>	<u>210,265.00</u>	<u>210,265.00</u>	<u>78,701.70</u>	<u>131,563.30</u>
<i>Net Change in Fund Balance</i>	(175,859.00)	(175,859.00)	(28,402.05)	147,456.95
<i>Fund Balance Beginning of Year</i>	<u>176,946.89</u>	<u>176,946.89</u>	<u>176,946.89</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$1,087.89</u>	<u>\$1,087.89</u>	<u>\$148,544.84</u>	<u>\$147,456.95</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$75,000.00	\$75,000.00	\$89,805.51	\$14,805.51
Earnings on Investments	2,000.00	2,000.00	2,896.89	896.89
<i>Total receipts</i>	<u>77,000.00</u>	<u>77,000.00</u>	<u>92,702.40</u>	<u>15,702.40</u>
Disbursements				
Current:				
Public Works	163,576.00	163,576.00	27,996.51	135,579.49
Capital Outlay	95,000.00	95,000.00	37,297.66	57,702.34
<i>Total Disbursements</i>	<u>258,576.00</u>	<u>258,576.00</u>	<u>65,294.17</u>	<u>193,281.83</u>
<i>Net Change in Fund Balance</i>	(181,576.00)	(181,576.00)	27,408.23	208,984.23
<i>Fund Balance Beginning of Year</i>	<u>184,758.04</u>	<u>184,758.04</u>	<u>184,758.04</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,182.04</u></u>	<u><u>\$3,182.04</u></u>	<u><u>\$212,166.27</u></u>	<u><u>\$208,984.23</u></u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	\$43,000.00	\$43,000.00	\$43,000.00	\$0.00
Miscellaneous	0.00	0.00	66.00	66.00
<i>Total receipts</i>	<u>43,000.00</u>	<u>43,000.00</u>	<u>43,066.00</u>	<u>66.00</u>
Disbursements				
Current:				
Public Safety	126,000.00	126,000.00	38,046.72	87,953.28
Capital Outlay	24,000.00	24,000.00	0.00	24,000.00
<i>Total Disbursements</i>	<u>150,000.00</u>	<u>150,000.00</u>	<u>38,046.72</u>	<u>111,953.28</u>
<i>Net Change in Fund Balance</i>	(107,000.00)	(107,000.00)	5,019.28	112,019.28
<i>Fund Balance Beginning of Year</i>	<u>109,083.58</u>	<u>109,083.58</u>	<u>109,083.58</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,083.58</u></u>	<u><u>\$2,083.58</u></u>	<u><u>\$114,102.86</u></u>	<u><u>\$112,019.28</u></u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY FUND
FOR THE YEA ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$35,155.00	\$35,155.00	\$32,443.91	(\$2,711.09)
Intergovernmental	0.00	0.00	4,608.76	4,608.76
<i>Total receipts</i>	<u>35,155.00</u>	<u>35,155.00</u>	<u>37,052.67</u>	<u>1,897.67</u>
Disbursements				
Current:				
Public Safety	43,900.00	43,900.00	827.12	43,072.88
Capital Outlay	37,000.00	37,000.00	0.00	37,000.00
<i>Total Disbursements</i>	<u>80,900.00</u>	<u>80,900.00</u>	<u>827.12</u>	<u>80,072.88</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(45,745.00)</u>	<u>(45,745.00)</u>	<u>36,225.55</u>	<u>81,970.55</u>
Other Financing Uses				
Transfers Out	<u>(26,055.00)</u>	<u>(26,055.00)</u>	<u>(26,055.00)</u>	<u>0.00</u>
<i>Net Change in Fund Balance</i>	<u>(71,800.00)</u>	<u>(71,800.00)</u>	<u>10,170.55</u>	<u>81,970.55</u>
<i>Fund Balance Beginning of Year</i>	<u>74,264.74</u>	<u>74,264.74</u>	<u>74,264.74</u>	<u>0.00</u>
<i>Fund Balance End of Year</i>	<u>\$2,464.74</u>	<u>\$2,464.74</u>	<u>\$84,435.29</u>	<u>\$81,970.55</u>

See accompanying notes to the basic financial statements

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 1 – Reporting Entity

Salt Rock Township, Marion County, Ohio, (the Township) 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 Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Big Island Township and Grand Prairie Township to provide fire protection. The Township also contracts with Stofcheck Ambulance Service Inc. to provide ambulance services.

B. Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the basic financial statements provides additional information for this entity.

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

C. Related Organization

The Morral Salt Rock Fire Department is governed by a three-member executive committee which, in association with the Township Trustees, oversees the operation of the Fire Department and is elected annually by the twenty-seven member body of the Fire Department. The Department provides fire protection and rescue services for Salt Rock Township and by contract to areas outside of the Township. Note 10 to the basic financial statements provides additional information for this Department.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2c, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the following:

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Fire District Fund – The Fire District Fund receives tax money to pay for fire protection for the Township and also from neighboring townships that contract for fire protection.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Funds (Continued)

Special Levy Fund – The Special Levy Fund receives primarily tax monies and is primarily used to purchase fire equipment and property and liability insurance for the Fire Department.

Capital Projects Fund – The Capital Projects Fund receives grant funds from the Ohio Public Works Commission whose use is restricted for a road reconstruction project.

Debt Service Fund – The Debt Service Fund receives funds via transfer from the Special Levy Fund for annual payment of the Township's fire truck.

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

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

E. Cash and Investments

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

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

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009 and 2008.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$1,693.12. Interest receipts credited to the General Fund during 2008 were \$4,162.93.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for long-term obligations. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Township roads and bridges and fire protection. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

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 and all major Special Revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. Since encumbrances outstanding at year-end are cancelled and re-appropriated in the succeeding year there is essentially no difference between cash and budget basis reporting.

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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 – Deposits and Investments (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by eligible securities pledged by the financial institution as security for repayment.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments must only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, \$235,386 of the Township's bank balance of \$485,386 was exposed to custodial credit risk while at December 31, 2008, \$197,310 of the Township's bank balance of \$447,310 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Investments

At December 31, 2009 and 2008, the Township had investments in STAR Ohio totaling \$156,820 and \$156,388, respectively, as well as \$1,000 in a fund-specific certificate of deposit. STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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 alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$5.10 per \$1,000 of assessed value for 2009. The assessed values of real and personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$11,872,150
Public Utility Property	1,750,880
Tangible Personal Property	10,990
Total Assessed Values	<u>\$13,634,020</u>

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.

Note 6- Capital Lease

On June 3, 2002, the Township entered into a lease/purchase agreement with North Country Financial Group, Inc. for the purpose of obtaining a fire truck and related equipment. The lease amount was \$195,158 at an interest rate of 5.63171% for a term of 10 years. The initial payment was due June 3, 2003 with subsequent payments due on June 3rd of each year and a final maturity date of June 3, 2012. Capital lease obligations will be paid out of the Township's Special Levy Fund.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 6- Capital Lease (Continued)

An amortization of the capital lease, including interest payments of \$8,042 is as follows:

<u>Year Ending December 31:</u>	<u>Capital Lease</u>
2010	26,055
2011	26,055
2012	<u>26,055</u>
Total	<u>\$78,165</u>

Note 7 - Risk Management

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

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

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

Casualty Coverage

For an occurrence prior to January 1, 2008, OTARMA retains casualty risk up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2008, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are insured by APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2008) or \$3,000,000 (on or subsequent to January 1, 2008) as noted above.

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2008, or \$100,000 and \$300,000 in 2009, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2009 was \$2,014,548.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 - Risk Management (Continued)

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

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

Financial Position

The expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2007	\$7,917
2008	\$8,157
2009	\$7,157

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

Note 8 - Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined pension plan. The Member-Direct Plan is a defined contribution plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 - Defined Benefit Pension Plan (Continued)

A. Ohio Public Employees Retirement System (Continued)

The members of all three plans were required to contribute 10 percent in 2009 and 2008 of their annual salary. The Township's contribution rate for pension benefits for 2009 and 2008 were 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for years ended December 31, 2009, 2008, and 2007 were \$7,011, \$5,549, and \$9,015 respectively; the full amount has been contributed for 2009, 2008, and 2007.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for post retirement health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to the traditional or combined plan is set aside for the funding of post retirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14 percent of covered payroll.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care cost.

Note 10 – Morral Salt Rock Fire Department

The Morral Salt Rock Fire Department is governed by an executive committee that, in association with the Township Trustees, oversees the operation of the Fire Department. The Fire Department receives various operational subsidies from the Township. However, the Fire Department also receives various state FEMA grants and private donations directly from grantors and donors, respectively, which do not flow through the Township's financial accounting system. In 2009, activity of the Fire Department that was not accounted for in the Township's financial ledgers included receipts totaling \$96,425 from grants, donations, and interest as well as expenses of \$121,955, leaving an ending fund balance of \$2,798. In 2008, the activity of the Fire Department that was not accounted for in the Township's financial ledgers included receipts totaling \$87,812 in grants, donations, and interest, as well as expenses of \$70,562, resulting in an ending fund balance of \$28,328.



Mary Taylor, CPA

Auditor of State

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

Salt Rock Township
Marion County
5764 Morral-Kirkpatrick Road West
Morral, Ohio 43337

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Salt Rock Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 23, 2010, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted account principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 23, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 23, 2010

**SALT ROCK TOWNSHIP
MARION COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2009-001

**Material Weakness
Financial Reporting**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the December 31, 2009 financial statements and the Township's accounting records:

Adjustment of \$93,340 to move the Special Levy major fund activity out of Other Governmental Funds. These adjustments impacted beginning fund balances, property and other local tax receipts, intergovernmental receipts, public safety disbursements, transfers out, and equity in pooled cash and cash equivalents.

Adjustment of \$122,480 to the Special Levy Fund to record the special revenue major fund budgetary activity, increasing unencumbered beginning cash balance, property and other local tax receipts, intergovernmental receipts, public safety disbursements, transfers out, and unencumbered ending cash balance.

Adjustment of \$26,055 to move the Debt Service Fund major fund activity out of Other Governmental Funds. This adjustment impacted transfers-in and principal retirement and interest and fiscal charges disbursements.

The following audit adjustments were made to the December 31, 2008 financial statements and the Township's accounting records:

Adjustment of \$84,435 to move the Special Levy major fund activity out of Other Governmental Funds. These adjustments impacted beginning fund balances, property and other local tax receipts, intergovernmental receipts, public safety disbursements, transfers out, and equity in pooled cash and cash equivalents.

Adjustment of \$109,420 to the Special Levy Fund to record the special revenue major fund budgetary activity, increasing unencumbered beginning cash balance, property and other local tax receipts, intergovernmental receipts, public safety disbursements, transfers out, and unencumbered ending cash balance.

The adjustments and reclassifications identified above should be reviewed by the Fiscal Officer and Township Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Township should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Township's activity.

We did not receive a response from officials to this finding.

**SALT ROCK TOWNSHIP
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Financial Reporting	No	Not Corrected. This comment is being repeated as Finding 2009-001



Mary Taylor, CPA
Auditor of State

SALT ROCK TOWNSHIP

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2010**