

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003

**Vanessa L. Blevins
Certified Public Accountant**



**Auditor of State
Betty Montgomery**

Board of Trustees
Salt Creek Township, Pickaway County
27924 Kime Holderman Rd.
Circleville, OH 43113

We have reviewed the *Independent Accountants' Report* of Salt Creek Township, Pickaway County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2003 to December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Salt Creek Township, Pickaway County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 14, 2006

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**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

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VANESSA L. BLEVINS
Certified Public Accountant

INDEPENDENT ACCOUNTANTS' REPORT

Salt Creek Township
Pickaway County
27924 Kime Holderman Road
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the accompanying financial statements of Salt Creek Township, Pickaway County, Ohio, (the Township) as of and for the years ended December 31, 2004 and December 31, 2003. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion 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 about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position or cash flows of its proprietary funds for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Salt Creek Township, Pickaway County, Ohio, as of December 31, 2004 and December 31, 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2005 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* and should be read in conjunction with this report in considering the results of our audit.

Vanessa L. Blevins
Certified Public Accountant

September 26, 2005

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$52,763	\$240,142	\$0	\$292,905
Intergovernmental	34,859	177,521	0	212,379
Licenses, Permits, and Fees	0	5,550	0	5,550
Earnings on Investments	1,530	376	0	1,906
Other Revenue	486	23,523	0	24,009
	<u>89,638</u>	<u>447,112</u>	<u>0</u>	<u>536,750</u>
Cash Disbursements:				
Current:				
General Government	67,598	2,990	0	70,588
Public Safety	0	66,494	0	66,494
Public Works	5,389	172,799	0	178,188
Health	5,395	7,160	0	12,555
Debt Service:				
Redemption of Principal		103,012		103,012
Interest and Fiscal Charges		4,453		4,453
Capital Outlay	46,958	91,894	0	138,852
	<u>125,339</u>	<u>448,802</u>	<u>0</u>	<u>574,141</u>
Total Receipts Over/(Under) Disbursements	<u>(35,701)</u>	<u>(1,690)</u>	<u>0</u>	<u>(37,391)</u>
Other Financing Receipts:				
Proceeds from Loans for Purchase of Equipment	0	79,275	0	79,275
	<u>0</u>	<u>79,275</u>	<u>0</u>	<u>79,275</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(35,701)	77,585	0	41,884
Fund Cash Balances, January 1	94,585	160,429	979	255,993
Fund Cash Balances, December 31	<u>\$58,884</u>	<u>\$238,014</u>	<u>\$979</u>	<u>\$297,877</u>

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

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	
Cash Receipts:		
Local Taxes	\$0	\$0
Intergovernmental	0	0
Licenses, Permits, and Fees	0	0
Earnings on Investments	224	224
Other Revenue	0	0
	<hr/>	<hr/>
Total Cash Receipts	224	224
Cash Disbursements:		
Current:		
General Government	0	0
Public Safety	0	0
Public Works	0	0
Health	0	0
Supplies and Materials	0	0
Capital Outlay	0	0
	<hr/>	<hr/>
Total Cash Disbursements	0	0
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>
	224	224
Fund Cash Balances, January 1	<hr/>	<hr/>
	20,768	20,768
Fund Cash Balances, December 31	<hr/> \$20,992 <hr/>	<hr/> \$20,992 <hr/>

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

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$50,309	\$229,260	\$0	\$279,569
Intergovernmental	60,764	117,632	0	178,396
Licenses, Permits, and Fees	0	5,250	0	5,250
Earnings on Investments	1,511	295	0	1,805
Other Revenue	8,312	3,974	0	12,286
	<u>120,895</u>	<u>356,411</u>	<u>0</u>	<u>477,307</u>
Cash Disbursements:				
Current:				
General Government	60,285	2,472	0	62,757
Public Safety	0	68,387	0	68,387
Public Works	9,566	177,648	0	187,214
Health	6,619	6,848	0	13,467
Debt Service:				
Redemption of Principal	0	62,557	0	62,557
Interest and Fiscal Charges	0	3,077	0	3,077
Capital Outlay	20,793	52,794	0	73,587
	<u>97,264</u>	<u>373,782</u>	<u>0</u>	<u>471,046</u>
Total Receipts Over/(Under) Disbursements	<u>23,632</u>	<u>(17,371)</u>	<u>0</u>	<u>6,261</u>
Other Financing Receipts:				
Proceeds from Loans for Equipment Purchases	0	43,397	0	43,397
	<u>0</u>	<u>43,397</u>	<u>0</u>	<u>43,397</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	23,632	26,026	0	49,658
Fund Cash Balances, January 1	<u>70,953</u>	<u>134,403</u>	<u>979</u>	<u>206,335</u>
Fund Cash Balances, December 31	<u>\$94,585</u>	<u>\$160,429</u>	<u>\$979</u>	<u>\$255,993</u>

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

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Fiduciary Fund Type	Totals (Memorandum Only)
	Nonexpendable Trust	
Cash Receipts:		
Local Taxes	\$0	\$0
Intergovernmental	0	0
Licenses, Permits, and Fees	0	0
Earnings on Investments	211	211
Other Revenue	0	0
Total Cash Receipts	211	211
Cash Disbursements:		
Current:		
General Government	0	0
Public Safety	0	0
Public Works	0	0
Health	0	0
Supplies and Materials	0	0
Capital Outlay	0	0
Total Cash Disbursements	0	0
Total Receipts Over/(Under) Disbursements	211	211
Fund Cash Balances, January 1	20,557	20,557
Fund Cash Balances, December 31	\$20,768	\$20,768

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

**SALT CREEK TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Salt Creek Township, Pickaway County, (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 provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**SALT CREEK
TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Funds (Continued)

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Fire Fund – This fund receives property tax and special levy money to provide for the fire and EMS services the Township provides.

3. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

4. Fiduciary Fund (Trust and Agency Fund)

This fund is used to account for resources restricted by a legally binding trust agreement. The Township had the following fiduciary fund:

Non-Expendable Trust – Cemetery Bequest Fund – This fund receives interest on restricted money donated to the Township to be used towards the cemetery only.

D. Budgetary Process

The Ohio Revised Code requires that each fund budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**SALT CREEK
TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2004	2003
Demand deposits	\$299,448	\$227,431
Certificates of deposit	19,421	49,330
Total deposits	318,869	276,761

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and December 31, 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$191,110	\$89,638	(\$101,472)
Special Revenue	571,306	526,387	(44,919)
Fiduciary Fund	0	224	224
Total	\$762,416	\$616,249	(\$146,167)

**SALT CREEK
TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$286,955	\$125,339	\$161,616
Special Revenue	782,325	448,802	333,523
Capital Projects	979	0	979
Total	\$1,070,259	\$574,141	\$496,118

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$184,000	\$120,895	(\$63,105)
Special Revenue	481,958	399,808	(82,150)
Fiduciary Fund	0	211	211
Total	\$665,958	\$520,914	(\$145,044)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$256,088	\$97,264	\$158,824
Special Revenue	616,361	373,782	242,579
Total	\$872,449	\$471,046	\$401,403

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**SALT CREEK
TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest
Fire Truck	\$ 114,264	4.25%
Dump Truck	28,862	4.25%
John Deere Tractor	49,203	4.25%

On November 21, 2002, the Township issued four separate notes in the amount of \$57,372 each for the purchase of a Fire Truck. The Notes will mature over a staggered period with annual installments of \$57,372 plus interest. The payments will be made from the Fire District Truck Fund. In July, 2003, the Township purchased a Dump Truck for \$ 43,397 to be paid over 48 months in installments of \$984.73 per month at a 4.25% interest rate. Additional principal of \$ 3000 was paid on this loan during 2003 and 2004. A mower was purchased in 2004 for \$ 49,203. The loan was set up to be paid over 60 months in installments of 4 911.77 at a 4.25% interest rate. Amortization of the above debt including interest, is scheduled as follows:

	<u>Fire Truck</u>	<u>Dump Truck</u>	<u>John Deere Tractor</u>
Year ending December 31:			
2005	64,694	11,817	9,217
2006	67,132	11,817	9,617
2007	0	6,893	10,034
2008 and after			15,871
Total	<u>131,826</u>	<u>30,526</u>	<u>44,739</u>

6. RETIREMENT SYSTEM

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Risk Pool Membership

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

**SALT CREEK
TOWNSHIP
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RISK MANAGEMENT (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003:

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained Earnings	\$17,046,241	\$16,000,923

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$ 7,799,073	\$ 6,791,060
Liabilities	(753,906)	(750,956)
Retained Earnings	\$ 7,045,167	\$ 6,040,104

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VANESSA L. BLEVINS
Certified Public Accountant

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Salt Creek Township
Pickaway County
27924 Kime Holderman Road
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the financial statements of Salt Creek Township, Pickaway County, Ohio (the Township) as of and for the years ended December 31, 2004 and December 31, 2003, and have issued our report thereon dated September 26, 2005, wherein we noted that the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 in order to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. In a separate letter to the Township's management dated September 26, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance

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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. In a separate letter to the Township's management dated September 26, 2005, we reported other matters related to noncompliance we deemed immaterial

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

VANESSA L. BLEVINS
Certified Public Accountant

September 26, 2005



**Auditor of State
Betty Montgomery**

88 East Broad Street
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Columbus, Ohio 43216-1140

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800-282-0370

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SALT CREEK TOWNSHIP

PICKAWAY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 27, 2006**