GRAND PRAIRIE TOWNSHIP
MARION COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Mary Taylor, CPA
Auditor of State

Board of Trustees
Grand Prairie Township
3447 Marion-Bucyrus Road
Marion, Ohio 43302

We have reviewed the *Independent Auditors' Report* of Grand Prairie Township, Marion County, prepared by Holbrook & Manter, for the audit period January 1, 2007 through December 31, 2008. 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 Auditors' 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 Auditors' 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. Grand Prairie Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 10, 2009

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

This Page is Intentionally Left Blank.

TABLE OF CONTENTS

This Page is Intentionally Left Blank.

HOLBROOK & MANTER, CPAs
PROFESSIONAL SERVICES FIRM

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Grand Prairie Township
Marion County

We have audited the accompanying financial statements of Grand Prairie Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State of Ohio 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.

Instead of combined funds the accompanying financial statements present for 2008 and 2007, GAAP requires presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. 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 GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, governments to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio 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 years ended December 31, 2008 and 2007 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, 2008 and 2007, or its changes in financial position 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 Grand Prairie Township, Marion County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 June 25, 2009, 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.

Holbrook & Manter

Certified Public Accountants

June 25, 2009

GRAND PRAIRIE TOWNSHIP
MARION COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Special Revenue	Total Memorandum Only
Cash receipts:-			
Local taxes	$ 62,809	$ 39,681	$ 102,490
Intergovernmental	25,087	95,935	121,022
Licenses, permits, and fees	536	0	536
Special assessments	0	3,280	3,280
Interest	4,705	2,340	7,045
Miscellaneous	50	0	50
Total cash receipts	93,187	141,236	234,423
Cash disbursements:-			
Current;-			
General government	72,023	0	72,023
Public works	5,500	92,914	98,414
Public safety	836	33,688	34,524
Capital outlay	0	0	0
Debt Service			
Redemption of principal	0	9,283	9,283
Interest	0	2,123	2,123
Total cash disbursements	78,359	138,008	216,367
Total receipts over (under) cash disbursements	14,828	3,228	18,056
Fund cash balances, January 1, 2008	218,272	198,593	416,865
Fund cash balances, December 31, 2008	$ 233,100	$ 201,821	$ 434,921

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

GRAND PRAIRIE TOWNSHIP
MARION COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Special Revenue	Total Memorandum Only
Cash receipts:-			
Local taxes	$ 40,290	$ 36,367	$ 76,657
Intergovernmental	38,697	94,590	133,287
Licenses, permits, and fees	1,070	0	1,070
Special assessments	0	2,735	2,735
Interest	8,557	4,841	13,398
Miscellaneous	343	0	343
Total cash receipts	88,957	138,533	227,490
Cash disbursements:-			
Current;-			
General government	59,007	0	59,007
Public works	0	85,483	85,483
Public safety	1,000	33,316	34,316
Capital outlay	0	56,345	56,345
Debt Service			
Redemption of principal	0	13,733	13,733
Interest	0	2,113	2,113
Total cash disbursements	60,007	190,990	250,997
Total receipts over (under) cash disbursements	28,950	(52,457)	(23,507)
Other financing receipts (disbursements):-			
Sale of Notes	0	50,000	50,000
Total other financing receipts (disbursements)	0	50,000	50,000
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	28,950	(2,457)	26,493
Fund cash balances, January 1, 2007	189,322	201,050	390,372
Fund cash balances, December 31, 2007	$ 218,272	$ 198,593	$ 416,865

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Grand Prairie Township, Marion 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 three publicly-elected Trustees. The Township provides general governmental services. The Township contracts with Salt Rock Township to provide fire protection services and contracts with Stofcheck Ambulance Service, Inc., to provide emergency medical services.

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

Basis of Accounting - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, 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 of Ohio.

Cash and Investments - The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

General Fund
The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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:

Motor Vehicle License Tax Fund
This fund receives motor vehicle tax money for constructing, maintaining, and repairing township roads.

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

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

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

Encumbrances
The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

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.

NOTE 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:

	2008	2007
Deposits	$ 172,288	$ 160,762
Investments- Star Ohio	262,633	256,103
Total Deposits	$ 434,921	$ 416,865

Deposits - The Townships deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

Investments - Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form.

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the years ending December 31, 2008 and 2007 was as follows:-

2008 Budgeted vs. Actual Receipts

Fund Type		Budgeted Receipts	Actual Receipts	Variance
General		$ 64,284	$ 93,187	$ 28,903
Special Revenue		124,173	141,236	17,063
	Total	$ 188,457	$ 234,423	$ 45,966

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type		Appropriation Authority	Budgetary Expenditures	Variance
General		$ 274,099	$ 78,359	$ 195,740
Special Revenue		296,403	138,008	158,395
	Total	$ 570,502	$ 216,367	$ 354,135

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$ 63,171	$ 88,957	$ 25,786
Special Revenue	109,944	188,533	78,589
Total	$ 173,115	$ 277,490	$ 104,375

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$ 234,075	$ 60,007	$ 174,068
Special Revenue	274,827	190,990	83,837
Total	$ 508,902	$ 250,997	$ 257,905

NOTE 4 - PROPERTY TAX:-

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 July 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to Marion 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.

The tangible personal property tax is being phased out over the next few years.

NOTE 5 - DEBT:-

	Principal Balance December 31, 2008
Chase Bank Truck Loan 5.2%	$ 34,789

During 2003, the Township entered into a loan agreement with National City Bank for the purchase of a Case tractor. The total loan amount is for $20,000 with an interest rate of 3.5% and is to be paid back over 5 years in annual installments of $4,000. Payments began on April 30, 2004 and the final payment will be due April 30, 2008. As of December 31, 2008, the loan was paid in full by the Township.

During 2007, the Township entered into a loan agreement with Chase Bank for the purchase of a Truck. The total loan amount is for $50,000 with an interest rate of 5.2% and is to be paid back over 5 years in monthly installments. Payments began on May 14, 2007 and the final payment will be due on June 9, 2012. As of December 31, 2008, the Township owes $34,789 principal on the loan.

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

Year ending	Chase Bank	
December 31,	Principal	Interest
2009	$ 9,834	$ 1,571
2010	10,358	1,048
2011	10,909	496
2012	3,688	37
2013	0	0
	$ 34,789	$ 3,152

NOTE 6 - RETIREMENT SYSTEMS:-

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employee plan. This plan provides retirement benefits, including post-retirement 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 2008 and 2007, PERS members contributed 10.0% and 9.5% of their gross salaries, respectively. The Township contributed an amount equal to 14.0% and 13.85% of participants' gross salaries for 2008 and 2007, respectively. The Township has paid all contributions required through December 31, 2008.

NOTE 7 - RISK MANAGEMENT:-

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

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

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

Casualty Coverage
For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to $250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding $250,000, up to $1,750,000 per claim and $10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to $350,000 per occurrence, including loss adjustment expenses. Claims exceeding $350,000 are reinsured with APEEP in an amount not to exceed $2,650,000 for each claim and $10,000,000 in the aggregate per year. Governments can elect up to $10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

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

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

Beginning in 2005, Travelers reinsures specific losses exceeding $250,000 up to $600 million per occurrence. APEEP reinsures members for specific losses exceeding $100,000 up to $250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between $100,000 and $250,000, Travelers will reinsure specific losses exceeding $100,000 up to their $600 million per occurrence limit. The aggregate stop-loss limit for 2006 was $1,901,127.

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.

NOTE 7 - RISK MANAGEMENT:- (continued)

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

Financial Position
OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	2007	2006
Assets	$ 43,210,703	$ 42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	$ 29,852,866	$ 29,921,614

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately $12.5 million and $11.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately $11.6 million and $10.8 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately $2,968. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

Contributions to OTARMA	
2006	$ 3,965
2007	3,223
2008	3,157

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

HOLBROOK & MANTER, CPAs
PROFESSIONAL SERVICES FIRM

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

Board of Trustees
Grand Prairie Township
Marion County

We have audited the financial statements of Grand Prairie Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 25, 2009, wherein we noted the Township followed accounting practices the Auditor of State of Ohio 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain internal control matters that we reported to the Township's management in a separate letter dated June 25, 2009.

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*.

However, we noted certain instances of non-compliance that we reported to the Township's management in a separate letter dated June 25, 2009.

Grand Prairie Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit Grand Prairie Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, and the Township Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Holbrook & Manter

Certified Public Accountants

June 25, 2009

GRAND PRAIRIE TOWNSHIP
MARION COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2008 AND 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	ORC 5705.34 - requires each taxing authority to pass an ordinance or resolution to authorize the necessary tax levies.	Yes	Tax levies were certified for 2007 and 2008.
2006-002	Significant Deficency- Internal control and review procedures.	Yes	Bank reconciliations and bank statements are reviewed by the trustees at each meeting and the numerical sequence of the checks are noted in the minutes.

Mary Taylor, CPA
Auditor of State

GRAND PRAIRIE 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
AUGUST 20, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us