

BUCKSKIN TOWNSHIP
ROSS COUNTY, OHIO

Audited Financial Statements

For the Years Ended December 31, 2005 and 2004

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Buckskin Township
4003 Lyndon-Salem Rd.
South Salem, Ohio 45681

We have reviewed the *Independent Auditor's Report* of Buckskin Township, Ross County, prepared by Van Krevel & Company, for the audit period January 1, 2004 to December 31, 2005. 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 Auditor's 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 Auditor's 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. Buckskin Township is responsible for compliance with these laws and regulations.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

January 9, 2007

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VAN KREVEL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
5201 Indian Hill Road
Dublin, Ohio 43017

Independent Auditor's Report

To the Board of Trustees
Buckskin Township
Ross County, Ohio
4003 Lyndon-Salem Road
South Salem, Ohio 45681-9702

We have audited the accompanying financial statements of Buckskin Township, Ross County, Ohio (the Township) as of and for the years ended December 31, 2005 and 2004. 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 States 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 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. We believe our audits provide a reasonable basis for our opinions.

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 State of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds accompanying the financial statements presented for 2005 and 2004, the revisions require presenting entity wide statements and also presenting larger (i.e., major) funds separately for 2005 and 2004. While the Township does not follow GAAP, generally accepted auditing standards require 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 townships to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts are materially

misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to the non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ended December 31, 2005 and 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township's combined funds as of December 31, 2005 and 2004, or their 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 Buckskin Township, Ross County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2005 and 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 November 3, 2006, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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 audits.

/s/ Van Krevel & Company
Dublin, Ohio

November 3, 2006

Buckskin Township
 Ross County, Ohio
 Combined Statement of Cash Receipts, Cash Disbursements
 and Changes in Fund Cash Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2005

	<u>Governmental Funds Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 30,394	\$ 38,678	\$ 0	\$ 69,072
Licenses, Permits and Fees	780	4,900	0	5,680
Intergovernmental	61,306	100,036	18,750	180,092
Earnings on Investments	12,770	569	0	13,339
Miscellaneous	<u>1,119</u>	<u>5,300</u>	<u>0</u>	<u>6,419</u>
Total Cash Receipts	<u>106,369</u>	<u>149,483</u>	<u>18,750</u>	<u>274,602</u>
Cash Disbursements:				
Current:				
General Government	104,966	0	0	104,966
Public Safety	0	16,341	0	16,341
Public Works	6,293	91,709	0	98,002
Health	0	15,558	0	15,558
Capital Outlay	<u>0</u>	<u>5,257</u>	<u>18,750</u>	<u>24,007</u>
Total Cash Disbursements	<u>111,259</u>	<u>128,865</u>	<u>18,750</u>	<u>258,874</u>
Total Receipts Over (Under) Disbursements	(4,890)	20,618	0	15,728
Other Financing Receipts:				
Other Sources	<u>0</u>	<u>1,050</u>	<u>0</u>	<u>1,050</u>
Total Other Financing Receipts	0	1,050	0	1,050
Excess of Receipts and Other Financing Over (Under) Disbursements	(4,890)	21,668	0	16,778
Fund Cash Balances, January 1	<u>351,607</u>	<u>186,331</u>	<u>0</u>	<u>537,938</u>
Fund Cash Balances, December 31	<u>\$346,717</u>	<u>\$207,999</u>	<u>\$ 0</u>	<u>\$554,716</u>
Reserve for Encumbrances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Buckskin Township
 Ross County, Ohio
 Combined Statement of Cash Receipts, Cash Disbursements
 and Changes in Fund Cash Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2004

	<u>Governmental Fund Types</u>		Totals
	<u>General</u>	Special <u>Revenue</u>	(Memorandum <u>Only</u>)
Cash Receipts:			
Local Taxes	\$ 28,538	\$ 36,245	\$ 64,783
Licenses, Permits and Fees	885	5,525	6,410
Intergovernmental	58,226	91,113	149,339
Earnings on Investments	6,640	266	6,906
Miscellaneous	<u>1,438</u>	<u>12,339</u>	<u>13,777</u>
Total Cash Receipts	<u>95,727</u>	<u>145,488</u>	<u>241,215</u>
Cash Disbursements:			
Current:			
General Government	114,043	0	114,043
Public Safety	0	17,756	17,756
Public Works	10,000	99,031	109,031
Health	0	8,544	8,544
Capital Outlay	<u>12,747</u>	<u>13,754</u>	<u>26,501</u>
Total Cash Disbursements	<u>136,790</u>	<u>139,085</u>	<u>275,875</u>
Total Receipts Over (Under) Disbursements	(41,063)	6,403	(34,660)
Other Financing Sources:			
Other Sources	<u>0</u>	<u>850</u>	<u>850</u>
Total Other Financing Sources	0	850	850
Excess of Receipts and Other Financing Over (Under) Disbursements			
Fund Cash Balances, January 1	<u>392,670</u>	<u>179,078</u>	<u>571,748</u>
Fund Cash Balances, December 31	<u>\$351,607</u>	<u>\$186,331</u>	<u>\$537,938</u>
Reserve for Encumbrances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Buckskin Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005 and 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Description of the Entity

Buckskin Township, Ross 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 provides general governmental services, including road and bridge maintenance and cemetery maintenance. The Township contracts with the City of Greenfield to provide fire services and the Greenfield Area Life Squad, Inc. to provide ambulance 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 the State of Ohio, which is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received 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 the State of Ohio.

C Cash and Investments

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

Certificates of deposit are valued at cost.

Buckskin Township
Ross County, Ohio

Notes to the Financial Statements
December 31, 2005 and 2004

D 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 those from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax monies to pay for constructing, maintaining and repairing Township roads and bridges.

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

3 Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Projects Fund.

Issue II Fund - This fund receives monies from the Ohio Public Works Commission to pay for constructing, maintaining and repairing Township Roads.

Buckskin Township
Ross County, Ohio

Notes to Financial Statements
Years Ended December 31, 2005 and 2004

E Budgetary Process

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

1 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 County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2 Estimated Resources

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

3 Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of the 2005 and 2004 budgetary activity appears in Note 3.

F Property, Plant and Equipment

Acquisitions of fixed assets are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Buckskin Township
 Ross County, Ohio

Notes to Financial Statements
 Years Ended December 31, 2005 and 2004

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 31st was as follows:

	<u>2005</u>	<u>2004</u>
Demand Deposits	\$154,716	\$137,938
Certificates of Deposit	<u>400,000</u>	<u>400,000</u>
Total Deposits	<u>\$554,716</u>	<u>\$537,938</u>

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3 BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004, are as follows:

2005 Budgeted vs. Actual Receipts

	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 82,370	\$106,369	\$23,999
Special Revenue	121,934	150,533	28,599
Capital Projects	<u>18,750</u>	<u>18,750</u>	<u>0</u>
Total	<u>\$223,054</u>	<u>\$275,652</u>	<u>\$52,598</u>

Buckskin Township
Ross County, Ohio

Notes to Financial Statements
Years Ended December 31, 2005 and 2004

3 BUDGETARY ACTIVITY (continued)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation <u>Authority</u>	Budgetary <u>Expenditures</u>	<u>Variance</u>
General	\$433,900	\$111,259	\$322,641
Special Revenue	308,039	128,865	179,174
Capital Projects	<u>18,750</u>	<u>18,750</u>	<u>0</u>
Total	<u>\$760,689</u>	<u>\$258,874</u>	<u>\$501,815</u>

2004 Budgeted vs. Actual Receipts

	Budgeted <u>Receipts</u>	Actual <u>Receipts</u>	<u>Variance</u>
General	\$ 80,133	\$ 95,727	\$15,594
Special Revenue	<u>122,131</u>	<u>146,338</u>	<u>24,207</u>
Total	<u>\$202,264</u>	<u>\$242,065</u>	<u>\$39,801</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation <u>Authority</u>	Budgetary <u>Expenditures</u>	<u>Variance</u>
General	\$472,500	\$136,790	\$335,710
Special Revenue	<u>300,439</u>	<u>139,085</u>	<u>161,354</u>
Total	<u>\$772,939</u>	<u>\$275,875</u>	<u>\$497,064</u>

Buckskin Township
Ross County, Ohio

Notes to Financial Statements
Years Ended December 31, 2005 and 2004

4 PROPERTY TAX

Real property taxes become a lien on January 1st preceding the October 1st 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 31st. If the property owner elects to make semi-annual payments, the first half is due December 31st. The second half payment is due the following June 20th.

Public utilities are also taxed on personal and real property located within the Township.

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

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

5 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 post-retirement health care 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 2005 and 2004, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2005 and 2004. The Township has paid all contributions required through December 31, 2005.

Buckskin Township
Ross County, Ohio

Notes to Financial Statements
Years Ended December 31, 2005 and 2004

6 RISK MANAGEMENT

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

VAN KREVEL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
5201 Indian Hill Road
Dublin, Ohio 43017

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.

To the Board of Trustees
Buckskin Township
Ross County, Ohio
4003 Lyndon-Salem Road
South Salem, Ohio 45681-9702

We have audited the accompanying financial statements of Buckskin Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated November 3, 2006, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal 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 that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Buckskin Township
Ross County, Ohio
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*

Compliance and Other Matters

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

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

/s/ Van Krevel & Company
Dublin, Ohio

November 3, 2006



Mary Taylor, CPA
Auditor of State

BUCKSKIN TOWNSHIP

ROSS 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
JANUARY 23, 2007**