

Buckeye Joint-County Insurance Council

Lawrence County

Regular Audit

January 1, 2008 through December 31, 2009

Fiscal Years Audited Under GAGAS: 2009 - 2008

BALESTRA, HARR & SCHERER, CPAs, INC.

**CERTIFIED PUBLIC ACCOUNTANTS
528 SOUTH WEST STREET, P.O. Box 687
PIKETON, OHIO 45661**

TELEPHONE (740) 289-4131

FAX (740) 289-3639

www.bhscpas.com



Dave Yost • Auditor of State

Board of Trustees
Buckeye Joint County Self Insurance Council
P. O. Box 702
Ironton, Ohio 45638

We have reviewed the *Independent Auditor's Report* of the Buckeye Joint County Self Insurance Council, Lawrence County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Joint County Self Insurance Council is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 14, 2011

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**BUCKEYE JOINT-COUNTY INUSRANCE COUNCIL
LAWRENCE COUNTY, OHIO
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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Ohio Society of Certified Public Accountants

Independent Auditor's Report

Members of the Board
Buckeye Joint-County Insurance Council
P.O. Box 702
Ironton, Ohio 45638

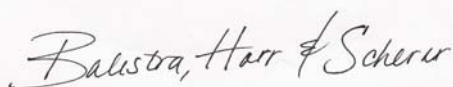
We have audited the financial statements of the Business Type Activities of the Buckeye Joint-County Insurance Council, Lawrence County, Ohio, (the Council) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Council's management. Our responsibility 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Business Type Activities of the Council, as of December 31, 2009 and December 31, 2008, and its results of operations and cash flows thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2011, on our consideration of the Council'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 audit.

The Management's Discussion and Analysis on pages 3 through 5 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Balestra, Harr & Scherer, CPAs, Inc.

March 30, 2011

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BUCKEYE JOINT-COUNTY INSURANCE COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 AND 2008

The following discussion provides a summary overview of the financial activities of the Buckeye Joint-County Insurance Council (the "Council"). The information should be read in conjunction with the basic financial statements included in this report.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

- Assets exceeded liabilities on December 31, 2009 by \$117,799 and on December 31, 2008 by \$92,303.
- Net assets increased by \$25,496 in 2009 and increased by \$33,223 in 2008.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, the Statement of Cash Flows and the accompanying notes to the financial statements. These statements report information about the Council as a whole and about its activities. The Council is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Assets presents the Council's financial position and reports the resources owned by the Council (assets), obligations owed by the Council (liabilities) and Council net assets (the difference between assets and liabilities). It provides a way to measure the financial health of the Council by providing the basis for evaluating the capital structure of the Council and assessing the liquidity and financial flexibility of the Council.

The Statement of Revenues, Expenses, and Changes in Net Assets present a summary of how the Council's net assets changed during the year. Revenue is reported when earned and expenses are reported when incurred. This statement measures the success of the Council's operations over the past year and can be used to determine whether the Council has successfully recovered all its costs through user fees.

The Statements of Cash Flows provide information about the Council's cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing and financing activities.

The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 AND 2008

Financial Analysis of the Council's Financial Position and Results of Operations

Table 1

	2009	2008	Change	2007	Change
<u>Assets</u>					
Cash	\$ 10,364	\$ 51,336	\$ (40,972)	\$ 14,471	\$ 36,865
Prepaid Bonds and Insurance	60,000	29,533	30,467	36,735	(7,202)
Member Contributions Receivable	47,435	11,434	36,001	7,874	3,560
Total Assets	117,799	92,303	25,496	59,080	33,223
<u>Net Assets</u>					
Unrestricted	117,799	92,303	25,496	59,080	33,223
Total Net Assets	<u>\$ 117,799</u>	<u>\$ 92,303</u>	<u>\$ 25,496</u>	<u>\$ 59,080</u>	<u>\$ 33,223</u>

The Council's Net Assets increased by \$25,496 (27.6%) in 2009 and increased by \$33,223 (56.2%) in 2008.

The largest portion of the Council's change in net assets is reflected in its Accounts Payable. The Council several years ago changed from self-insurance to purchasing insurance because of the change the Council has since dissolved claims payable.

For the year ended December 31, 2009, total assets of the Council increased by \$25,496 and for the year ended December 31, 2008 total assets increased by \$33,223. The council did not have any liabilities during 2009 or 2008.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 AND 2008

Statement of Revenues, Expenses and Changes in Net Assets

Table 2 below summarizes the changes in Revenues and Expenses and Net Assets.

Table 2

	2009	2008	Change	2007	Change
<u>Revenues</u>					
Member Contributions	\$ 1,062,903	\$ 1,049,392	\$ 13,511	\$ 1,054,121	\$ (4,729)
Refunds	-	(10,633)	10,633	-	(10,633)
Interest Income	397	681	(284)	972	(291)
Total Revenues	1,063,300	1,039,440	23,860	1,055,093	(15,653)
<u>Expenses</u>					
Claims Expense	30,972	7,102	23,870	10,000	(2,898)
Insurance Premiums	969,555	955,803	13,752	975,429	(19,626)
General and Administrative	37,277	43,312	(6,035)	59,236	(15,924)
Total Expenses	1,037,804	1,006,217	31,587	1,044,665	(38,448)
Change in Net Assets	25,496	33,223	(7,727)	10,428	22,795
Net Assets, January 1	92,303	59,080	33,223	48,652	10,428
Net Assets, December 31	\$ 117,799	\$ 92,303	\$ 25,496	\$ 59,080	\$ 33,223

Member contributions increased by \$13,511 (1.3%) for 2009, and decreased by \$-4,729 (-0.05%) for 2008. Insurance Premiums increased by \$13,752 (1.4%) for 2009, and decreased by \$-19,626 (-2.0%) for 2008 mainly due to changes in accounts payable.

Current Financial Related Activities

The Council is a insurance-purchasing pool, formed to carry out a cooperative purchasing program for the provision and administration of Property and Liability insurance. The Council is constantly assessing insurance needs of its members and acting to provide these services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information contact Fiscal Officer, Buckeye Joint-County Insurance Council, P.O. Box 702, Ironton, Ohio 45638.

**BUCKEYE JOINT - COUNTY SELF - INSURANCE COUNCIL
LAWRENCE COUNTY**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Assets		
Cash	\$ 10,364	\$ 51,336
Member Contribution Receivable	47,435	11,434
Prepaid Bonds & Insurance	60,000	29,533
<i>Total Assets</i>	<u>117,799</u>	<u>92,303</u>
Net Assets		
Unrestricted	<u>117,799</u>	<u>92,303</u>
<i>Total Net Assets</i>	<u>117,799</u>	<u>92,303</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 117,799</u>	<u>\$ 92,303</u>

The accompanying notes to the basic financial statements are an integral part of these financial statements.

**BUCKEYE JOINT - COUNTY SELF - INSURANCE COUNCIL
LAWRENCE COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Operating Revenues		
Member Contributions	\$ 1,062,903	\$ 1,049,392
Refunds	-	(10,633)
<i>Total Operating Revenues</i>	1,062,903	1,038,759
Operating Expenses		
Claims Expense	30,972	7,102
Insurance Premiums	969,555	955,803
General and Administrative	37,277	43,312
<i>Total Operating Expenses</i>	1,037,804	1,006,217
Operating Gain (Loss)	25,099	32,542
Nonoperating Revenues		
Interest	397	681
<i>Total Nonoperating Revenues</i>	397	681
Change in Net Assets	25,496	33,223
Net Assets, January 1	92,303	59,080
Net Assets, December 31	\$ 117,799	\$ 92,303

The accompanying notes to the basic financial statements are an integral part of these financial statements.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008**

	2009	2008
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
<i>Cash Flows from Operating Activities:</i>		
Cash Received from Members	1,026,902	\$1,035,199
Cash Payments for insurance premiums	(1,000,022)	(948,601)
Cash Payments for claims expense	(30,972)	(7,102)
Cash Payments for general and administrative	(37,277)	(43,312)
<i>Net Cash Used by Operating Activities</i>	(41,369)	36,184
<i>Cash Flows from Investing Activities:</i>		
Interest Received	397	681
Increase in Cash and Cash Equivalents	(40,972)	36,865
Cash and Cash Equivalents at Beginning of Year	51,336	14,471
Cash and Cash Equivalents at End of Year	\$10,364	\$51,336
<i>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</i>		
Operating Income (Loss)	\$25,099	\$32,542
<i>Changes in Assets and Liabilities:</i>		
(Increase) Decrease in receivables	(36,001)	(3,560)
(Increase) Decrease in prepaid bonds & insurance	(30,467)	7,202
<i>Net Cash Used by Operating Activities</i>	(\$41,369)	\$36,184

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

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

1. DESCRIPTION OF THE ENTITY

The Buckeye Joint-County Insurance Council, Lawrence County, Ohio (the Council), a Regional Council of Governments organized under Ohio Revised Code, Chapter 167, was established for the purpose of establishing and carrying out a cooperative insurance purchasing pool. The Council is established for the purpose of exercising the rights and privileges conveyed to it by the Bylaws of the Council.

The Buckeye Joint-County Insurance Council is a legally separate Council. The Council is in a jointly governed organization with member governmental entities. The Council was formed for the primary purpose of establishing and carrying out a cooperative insurance purchasing program for its member governmental entities. The governing board consists of County Commissioners or other designee appointed by each of the members of the Council.

Management believes the financial statements included in this report represent all of the financial activity of the Council over which the Council has the ability to exercise direct operating control.

The Council is an insurance-purchasing pool for property and liability insurance, and members are fully insured by the Ohio Government Risk Management Plan who has full responsibility over claims.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Council also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Council also has the option to apply FASB Statements and Interpretation issued after November 30, 1989, subject to this same limitation. The Council has elected to apply these FASB Statements and Interpretations. The Council's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organization that are included to ensure that the basic financial statements of the Council are not misleading. On this basis, no governmental organizations or agencies other than the Council itself are included in the financial reporting entity.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The Council maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific revenues and expenses. The Council uses an enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing good or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For financial statement presentation purposes, the Council utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

The Council’s activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the Council’s operations are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The Council distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from charges to members for insurance premiums, loss fund contributions, claims handling fees and administrative fees. Operating expenses for the Council include the payment of loss and loss adjustment expenses, insurance premiums, administrative fees, claims handling fees, professional fees and miscellaneous expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal non-operating revenue of the Council is investment income.

D. Assets, Liabilities and Net Assets

Cash:

For purposes of reporting cash flows, the Council considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables:

All receivables are shown net of an allowance for uncollectible amounts, as applicable. Receivables in excess of 90 days are evaluated for the ability to collect them and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Net Assets:

Net assets are the excess of revenues over expenses during the period in which the Council has been in existence. If adequate provision has been made for the payment of all claims and expenses of the Council, the Board of Trustees, at its discretion, may distribute surplus funds to members during that particular year, provided that such members are also members in the year in which the distribution is made. In lieu of distributing surplus funds to the members, the Board may carry forward the surplus to offset annual or supplemental payments in the subsequent fiscal year.

In the event the Council is terminated, all members of the Council are obligated for any necessary supplemental payments applicable to the years during which they were members. After all related expenses have been paid or reserves established for the payment of any such expenses, any surplus funds will be distributed to members, past or present, who constituted the Council for that fiscal year.

E. Revenues and Expenses

Premiums, member and supplemental contributions, claims handling fees and administrative fees: Premiums are determined based on the member's allocated insurance coverage costs as determined by the Council administrator and are recognized ratably as revenue and related expense over the insurance coverage period.

Member and supplemental contributions are determined based on a formula approved by the Board of Trustees and applied to all members to provide sufficient funds within the insurance pool to adequately fund administrative expenses of the Council. Claims expense is a result of the deductible each member is responsible for according to the insurance agreement. The deductible is recognized ratably as an revenue and related expense as a claim occurs.

Under the terms of the cooperative agreement, should the annual contributions not be sufficient to fund operations or obligations of the Council, additional supplementary payments shall be required to be made by every member based on the formula used to determine the annual contributions.

F. Cash and Investments

The Council maintains one account, which is presented on the Statement of Net Assets as "Equity in Pooled Cash and Cash Equivalents". The Council does not maintain any investments.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budgetary Process

Under Ohio law, the Council is not required to follow a budgetary process and, therefore, no budgetary information is provided in these basic financial statements.

H. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. CASH AND INVESTMENTS

The Council pools all available cash of the Council for investment purposes.

During fiscal year 2009, deposits maintained by the Council in financial institutions were covered by the Federal Deposit Insurance Corporation or were exposed to custodial credit risk.

At December 31, 2009, the carrying amount of the Council's deposits was \$10,364. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, \$0 of the Council's bank balance of \$10,364 was exposed to custodial risk as discussed below, while \$10,364 was covered by Federal Deposit Insurance Corporation.

At December 31, 2008, the carrying amount of the Council's deposits was \$51,336. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$0 of the Council's bank balance of \$51,336 was exposed to custodial risk as discussed below, while \$51,336 was covered by Federal Deposit Insurance Corporation.

The Council had no investments at December 31, 2009 or 2008.

4. RISK MANAGEMENT

The Buckeye Joint-County Insurance Council is a regional council of government organized under Ohio Revised Code, Chapter 167, for the purpose of establishing and carrying out a cooperative insurance purchasing program. The Council is governed by a Board of Trustees who selects qualified insurance companies that provide the insurance program that is adequate to meet the needs of each member.

The Council became an insurance purchasing pool for property and liability insurance on April 1, 1997. The Council contracts with the Ohio Government Risk Management Plan to provide insurance for its members. Each member pays a fee based on their premiums.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

5. CONTINGENCIES

General:

In the normal course of business, the Council is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

Concentration by geographic location and industry:

The Council is exposed to certain risks by writing all its business in the State of Ohio, thus increasing exposure to a single geographic area. Council membership is limited to counties.

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528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

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**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Required by *Government Auditing Standards***

Members of the Board
Buckeye Joint-County Insurance Council
Lawrence County, Ohio
P.O. Box 702
Ironton, Ohio 45638

We have audited the financial statements of the Business Type Activities of the Buckeye Joint-County Insurance Council (the Council) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

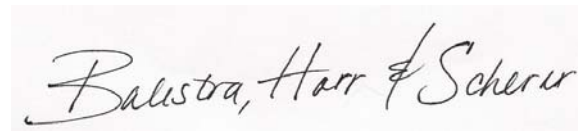
Compliance and Other Matters

As part of reasonably assuring whether the Council'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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2009-001.

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

We did note certain non-compliance or other matters that we reported to the Council's management in a separate letter dated March 30, 2011.

We intend this report solely for the information and use of management, the Council's Board, and others within the Council. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
March 30, 2011

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUERED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2009-001

Noncompliance Citation

Ohio Revised Code Section 167.04 states that the council shall adopt by-laws by a majority vote of its members designating the officers of the council and the method of selection thereof, creating a governing board that many act for the council as provided in such by-laws, and providing for the conduct of its business.

The Council does not have a policies and procedures manual. The Council should prepare and adopt a policies and procedures manual.

Clients Response:

The Council will complete a policy and procedures manual.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED 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, Explain:
2005-001	Ohio Administrative Code Section 117-2-02(D) – Accounting records need to be in a manual or computerized format.	Yes	
2005-002	Ohio Revised Code Section 167.04 – The officers of the council needs to create and adopt by-laws.	No	Will re-issue as 2009-001
2005-003	Material Weakness – Need to prepare monthly bank reconciliations and have council approval.	Yes	



Dave Yost • Auditor of State

BUCKEYE JOINT COUNTY SELF INSURANCE COUNCIL

LAWRENCE 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 28, 2011**