



**Auditor of State  
Betty Montgomery**



**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Buckskin Township  
Ross County  
4003 Lyndon-Salem Road  
Lyndon, Ohio 45681

To the Board of Trustees:

We have audited the accompanying financial statements of Buckskin Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2003, and December 31, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As described Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, Ohio, as of December 31, 2003, and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2004, 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 grants. 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.

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This report is intended solely 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.

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

**Betty Montgomery**  
Auditor of State

June 30, 2004

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL 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>	
<b>Cash Receipts:</b>				
Local Taxes	\$28,797	\$36,433	\$0	\$65,230
Intergovernmental	103,588	78,340	18,750	200,678
Licenses, Permits, and Fees	887	3,000	0	3,887
Earnings on Investments	10,530	94	0	10,624
Other Revenue	5,968	11,086	0	17,054
	<u>149,770</u>	<u>128,953</u>	<u>18,750</u>	<u>297,473</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	106,064	0	0	106,064
Public Safety	0	17,774	0	17,774
Public Works	19,411	84,702	0	104,113
Health	0	7,397	0	7,397
Capital Outlay	58,890	16,175	18,750	93,815
	<u>184,365</u>	<u>126,048</u>	<u>18,750</u>	<u>329,163</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(34,595)</u>	<u>2,905</u>	<u>0</u>	<u>(31,690)</u>
<b>Other Financing Receipts:</b>				
Other Sources	<u>0</u>	<u>300</u>	<u>0</u>	<u>300</u>
<b>Total Other Financing Receipts</b>	<u>0</u>	<u>300</u>	<u>0</u>	<u>300</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(34,595)	3,205	0	(31,390)
Fund Cash Balances, January 1	<u>427,265</u>	<u>175,873</u>	<u>0</u>	<u>603,138</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$392,670</b></u>	<u><b>\$179,078</b></u>	<u><b>\$0</b></u>	<u><b>\$571,748</b></u>

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

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$26,706	\$33,926	\$60,632
Intergovernmental	177,044	72,947	249,991
Licenses, Permits, and Fees	1,002	1,450	2,452
Earnings on Investments	18,497	241	18,738
Other Revenue	1,216	7,113	8,329
	<u>224,465</u>	<u>115,677</u>	<u>340,142</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	105,510	0	105,510
Public Safety	0	17,732	17,732
Public Works	26,337	87,555	113,892
Health	0	7,143	7,143
Capital Outlay	69,715	3,562	73,277
	<u>201,562</u>	<u>115,992</u>	<u>317,554</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>22,903</u>	<u>(315)</u>	<u>22,588</u>
<b>Other Financing Receipts:</b>			
Other Sources	<u>0</u>	<u>675</u>	<u>675</u>
Total Other Financing Receipts	<u>0</u>	<u>675</u>	<u>675</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	22,903	360	23,263
Fund Cash Balances, January 1	<u>404,362</u>	<u>175,513</u>	<u>579,875</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$427,265</u></b>	<b><u>\$175,873</u></b>	<b><u>\$603,138</u></b>

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



**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**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 Squad 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 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. Cash and Investments**

Certificates of deposit are valued at cost.

**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 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 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.

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Projects 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.

**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 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.

**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 reappropriated in the subsequent year.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. 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.

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2003	2002
Demand deposits	\$121,748	\$153,138
Certificates of deposit	450,000	450,000
Total deposits	\$571,748	\$603,138

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

**2003 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,168	\$149,770	\$63,602
Special Revenue	111,945	129,253	17,308
Capital Projects	18,750	18,750	0
Total	\$216,863	\$297,773	\$80,910

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$513,000	\$184,365	\$328,635
Special Revenue	287,050	126,048	161,002
Capital Projects	18,750	18,750	0
Total	\$818,800	\$329,163	\$489,637

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$185,534	\$224,465	\$38,931
Special Revenue	112,447	116,352	3,905
Total	\$297,981	\$340,817	\$42,836

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$589,000	\$201,562	\$387,438
Special Revenue	287,400	115,992	171,408
Total	\$876,400	\$317,554	\$558,846

**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 payments, 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.

**5. RETIREMENT SYSTEM**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2003. The Township has paid all contributions required through December 31, 2003.

**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

**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Buckskin Township  
Ross County  
4003 Lyndon-Salem Road  
Lyndon, Ohio 45681

To the Board of Trustees:

We have audited the accompanying financial statements of Buckskin Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated June 30, 2004. 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.

**Compliance**

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, contracts and grants, noncompliance 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted a certain other immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 30, 2004.

**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 assurance 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 control over financial reporting that might be material weaknesses. A material weakness is a 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 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 operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 30, 2004.

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Buckskin Township  
Ross County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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.

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

**Betty Montgomery**  
Auditor of State

June 30, 2004



**BUCKSKIN TOWNSHIP  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND DECEMBER 31, 2002**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	2003-001
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**Material Non-Compliance**

**Issuance of Internal Revenue Service Form 1099**

Internal Revenue Code Section 1.6041-1 states in part that compensation for services rendered by independent contractors aggregating \$600 or more is to be reported on Form 1099.

The Township did not issue 1099 forms to two independent contractors in FY02 and two independent contractors in FY03 that were paid in excess of \$600. For FY02, these contractors were: Richard Reed \$47,972 and Mark Storts \$6,172. For FY03, these contractors were: Richard Reed \$32,588 and Mark Storts \$24,812.

We recommend the Township issue form 1099 to any independent contractor paid \$600 or more during the year. This matter will be referred to the Internal Revenue Service.

<b>Finding Number</b>	2003-002
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**Material Non-Compliance**

**Prevailing Wages**

Ohio Rev. Code Section 4115.04 requires the Township to obtain the prevailing wages in its area for the types of labor required to complete the project. The Township is then required to include language in the contract agreement that such contracts will pay the prevailing wage rates.

The Township contracted for remodeling to be done at the Township hall that would require prevailing wages, but the contract did not include prevailing wage language and prevailing wage rates. The contract was for \$30,983 to Mark Storts, an independent contractor, and was paid during 2002 and 2003.

We recommend the Township obtain prevailing wages and include prevailing wage language in all contracts that require it.





**Auditor of State  
Betty Montgomery**

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**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  
AUGUST 10, 2004**