

**Buck Township
Hardin County, Ohio
Financial Statements
December 31, 2009 and 2008**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Buck Township
14064 TR 135
Kenton, Ohio 43326

We have reviewed the *Independent Auditors' Report* of Buck Township, Hardin County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., 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.

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. Buck Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 27, 2010

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Buck Township
Hardin County, Ohio

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INDEPENDENT AUDITORS' REPORT

Buck Township
14064 TR 135
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of Buck Township, Hardin County, Ohio, (the Township), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Revision to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 2008. While the township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated

Buck Township
Hardin County
Independent Auditors' Report
Page 2

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

In our opinion, because of the effect of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 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, 2009 and 2008, 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 and reserves for encumbrances of Buck Township, Hardin County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2009 and 2008. 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 a report dated March 11, 2010 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 opinion 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 than audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
March 11, 2010

**BUCK TOWNSHIP
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>(Memorandum Only)</u>
Cash Receipts:					
Property and Other Local Taxes	9,708	77,524	-	-	87,232
Licenses, Permits, and Fees	700	2,900	-	-	3,600
Intergovernmental	29,031	155,672	29,664	-	214,367
Earnings on Investments	7,476	1,440	-	134	9,050
Miscellaneous	762	1,703	-	-	2,465
Total Cash Receipts	<u>47,677</u>	<u>239,239</u>	<u>29,664</u>	<u>134</u>	<u>316,714</u>
Cash Disbursements:					
Current:					
General Government	49,437	28,506	-	-	77,943
Public Safety	-	37,271	-	-	37,271
Public Works	-	107,368	-	-	107,368
Health	17,470	49,177	-	-	66,647
Conservation-Recreation	-	7,210	-	-	7,210
Capital Outlay	-	4,783	29,664	-	34,447
Total Cash Disbursements	<u>66,907</u>	<u>234,315</u>	<u>29,664</u>	<u>-</u>	<u>330,886</u>
Total Receipts Over/(Under) Disbursements	<u>(19,230)</u>	<u>4,924</u>	<u>-</u>	<u>134</u>	<u>(14,172)</u>
Fund Cash Balance, January 1	<u>94,055</u>	<u>377,015</u>	<u>-</u>	<u>3,060</u>	<u>474,130</u>
Fund Cash Balance, December 31	<u>74,825</u>	<u>381,939</u>	<u>-</u>	<u>3,194</u>	<u>459,958</u>
Reserve for Encumbrances, December 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**BUCK TOWNSHIP
HARDIN 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**

	<u>Governmental Fund Types</u>				<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>(Memorandum Only)</u>
Cash Receipts:					
Property and Other Local Taxes	11,883	87,055	-	-	98,938
Licenses, Permits, and Fees	450	3,100	-	-	3,550
Intergovernmental	34,923	145,881	-	-	180,804
Earnings on Investments	11,082	3,243	-	57	14,382
Miscellaneous	<u>124</u>	<u>2,850</u>	<u>-</u>	<u>-</u>	<u>2,974</u>
 Total Cash Receipts	 <u>58,462</u>	 <u>242,129</u>	 <u>-</u>	 <u>57</u>	 <u>300,648</u>
Cash Disbursements:					
Current:					
General Government	57,897	24,450	-	-	82,347
Public Safety	-	41,357	-	-	41,357
Public Works	-	74,209	-	-	74,209
Health	17,944	56,694	-	1,210	75,848
Conservation-Recreation	-	7,380	-	-	7,380
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Cash Disbursements	 <u>75,841</u>	 <u>204,090</u>	 <u>-</u>	 <u>1,210</u>	 <u>281,141</u>
 Total Receipts Over/(Under) Disbursements	 <u>(17,379)</u>	 <u>38,039</u>	 <u>-</u>	 <u>(1,153)</u>	 <u>19,507</u>
 Fund Cash Balance, January 1	 <u>111,434</u>	 <u>338,976</u>	 <u>-</u>	 <u>4,213</u>	 <u>454,623</u>
 Fund Cash Balance, December 31	 <u>94,055</u>	 <u>377,015</u>	 <u>-</u>	 <u>3,060</u>	 <u>474,130</u>
 Reserve for Encumbrances, December 31	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>

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

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Buck Township, Hardin County, (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township contracts with Pleasant Township, Hardin County and the City of Kenton, Ohio to provide fire services to its residents.

The Township participates in three jointly governed organizations and the Ohio Township Association Risk Management Authority public entity risk pool. Notes 6 and 7 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

BKP Ambulance District – provides ambulance services within the District

Hardin County Regional Planning Commission – makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services of the County

Grove Cemetery Association – provides a cemetery for residents and non-residents of Hardin County

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority – provides property and casualty coverage

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash and Investments

Certificates of deposit are valued at cost.

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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:

General Fund

The General Fund is used for reporting all financial resources except those required to be accounted for in another fund.

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:

Road and Bridge Fund - This fund is used to receive property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund is used to receive gasoline tax money to pay for constructing, maintaining, and repairing Township streets.

Motor Vehicle License Tax Fund - This fund is used to receive tax money for maintaining and repairing township roads.

Cemetery Fund - This fund is used to receive money and fees from the sale of lots, grave openings and grave closings for the purpose of maintaining and operating the Township cemeteries.

Grove Special Levy Fund - This fund is used to receive money from a special levy for the purpose of cemetery maintenance.

Fire Special Levy Fund - This fund is used to receive money from a special levy for the purpose of fire protection.

Permanent Fund

These funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Township's programs. The Township had the following permanent fund:

Cemetery Bequest Funds – These funds account for resources restricted by legally binding agreements.

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Township Road 135 Reconstruction - This fund received an Ohio Public Works Commission Grant for reconstruction of Township Road 135. The Township was required to pay matching funds.

Installation of storm sewers – This fund received a Community Development Block Grant for installing storm sewers along Asher Street and Harris Street. The Township was required to pay matching funds.

E. 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

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.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Township did not encumber all commitments required by Ohio Law.

A summary of 2009 and 2008 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.

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

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:

	<u>2009</u>	<u>2008</u>
Demand Deposits	\$126,928	\$166,130
Certificates of deposit	333,030	308,000
Total	<u>\$459,958</u>	<u>\$474,130</u>

Deposits

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

3. BUDGETARY ACTIVITY

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$53,000	\$47,677	\$(5,323)
Special Revenue	237,055	239,239	2,184
Capital Project	-0-	29,664	29,664
Permanent	125	134	9
Total	<u>\$290,180</u>	<u>\$316,714</u>	<u>\$26,534</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$70,500	\$66,907	\$3,593
Special Revenue	511,005	234,315	276,690
Capital Project	-0-	29,664	(29,664)
Permanent	-0-	-0-	-0-
Total	<u>\$581,505</u>	<u>\$330,886</u>	<u>\$250,619</u>

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$59,785	\$58,462	\$(1,323)
Special Revenue	252,099	242,129	(9,970)
Permanent	145	57	(88)
Total	<u>\$312,029</u>	<u>\$300,648</u>	<u>\$(11,381)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$82,600	\$75,841	\$6,759
Special Revenue	563,307	204,090	359,217
Permanent	1,357	1,210	147
Total	<u>\$647,264</u>	<u>\$281,141</u>	<u>\$366,123</u>

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

3. BUDGETARY ACTIVITY, Continued

The \$29,664 excess of expenditures over appropriation authority resulted from failing to report capital projects payments made on behalf of Buck Township.

4. PROPERTY TAXES

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by the Board. 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.

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 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 SYSTEMS

The Township's full-time and part time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS' members contributed 10.0 percent (2009 and 2008) of their gross salaries. The Township contributed an amount equaling 14.0 percent (2009 and 2008) of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

6. 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.

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

6. RISK MANAGEMENT, Continued

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. American Risk Pooling consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

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

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, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2008 and 2007, 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 \$3,000.

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.

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

6. RISK MANAGEMENT, Continued

The Township's contributions to OTARMA for the past three years are as follows:

<u>Contributions to OTARMA</u>	
2007	\$3,214
2008	\$3,369
2009	\$3,254

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 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.

7. JOINTLY GOVERNED ORGANIZATIONS

BKP Ambulance District

The BKP Ambulance District (the District) is a jointly governed organization consisting of Buck, Cessna, Dudley, Goshen, Lynn and Pleasant Townships; and the City of Kenton. A seven-member Board of Trustees governs the District with each political subdivision with the District appointing one member. The District provides ambulance services within the District. Financial information can be obtained from Vicki Collins, Clerk, 439 South Main Street, Kenton, Ohio 43326.

Hardin County Regional Planning Commission

The Hardin County Regional Planning Commission (the Commission) is a joint venture between the County, the Municipalities, and the Townships within the County. The degree of control exercised by any participating government is limited to its representation on the Board. The Board is comprised of twenty-seven members, any of which may hold any other public office.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions and services of the County. Each participating government may be required to contribute an assessment per capita, according to the latest federal census, in any calendar year in which the revenue is needed. Financial information can be obtained from Mark Doll, Director, One Courthouse Square, Suite 130, Kenton, Ohio 43326

**BUCK TOWNSHIP
HARDIN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2009 and 2008**

7. JOINTLY GOVERNED ORGANIZATIONS, Continued

Grove Cemetery Association

The Grove Cemetery Association (the Cemetery) is a jointly-governed organization consisting of Buck, Pleasant, and Goshen Townships in Hardin County, and the City of Kenton. The Association is governed by a board of directors consisting of one representative from each township and the city. The degree of control exercised by any participating entity is limited to its representation on the board.

Operating funds for the Association are provided from property taxes assessed against the property owners located within the townships and the city making up the Cemetery and charges assessed for services of the Association. Financial information may be obtained from Roger Crowe, Clerk, 15443 St. Rt. 309, Kenton, Ohio 43326.

8. RELATED PARTIES

Buck Township is a part of The Grove Cemetery Association as noted in the preceding note. The Fiscal Officer of Buck Township is the Clerk for the Cemetery Association. Buck Township receives tax money voted on by a levy and distributes the money to the Cemetery Association.

9. FUND BALANCES

The Fund Cash Balances at January 1, 2008 reflect an increase of \$11,300 in the General Fund and an \$11,300 decrease in the Special Revenue Fund from the Fund Cash Balance at December 31, 2007. The December 31, 2007 financial statements reflected adjusting entries for trustee compensation allocation for the year ending December 31, 2006 that were made by the Township and then later reversed.

Independent Auditors' Report on Internal Control over Financial Reporting
and On Compliance and Other Matters Required By *Government Auditing
Standards*

Buck Township
14064 TR 135
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of Buck Township, Hardin County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 11, 2010, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township'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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Our consideration of the 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 significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

Buck Township
Hardin County, Ohio
Independent Auditors' Report on Internal Control over
Financial Reporting and On Compliance and Other Matters
Required by *Governmental Auditing Standards*
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Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatements, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially effect 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 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 item 2009-001.

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

Taylor, Applegate, Hughes & Assoc., Ltd.

Taylor, Applegate, Hughes and Associates, Ltd.
March 11, 2010

**BUCK TOWNSHIP
HARDIN COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2009 and 2008**

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

FINDING NUMBER 2009-01

Noncompliance/Material Weakness

AOS Bulletin 2000-008, (This bulletin updates and combines the guidance provided in prior bulletins on State Issue II grants (MAS Bulletin 89017) and the retainage contracts (MAS 89-11)) state that a local government shall include in its official or amended certificates of estimated resources that amount of Issue II and CDBG monies anticipated to be received into the project fund during the year, along with its matching requirements, if appropriate. The fund appropriations should include the amount necessary to meet the obligations to be incurred during the fiscal year. If the project is not expected to be completed in the current year, the remainder of the project must be appropriated immediately in the subsequent year(s).

The Township failed to record the \$28,660 disbursed in 2009 by Ohio Public Works Commission (OPWC) and \$1,004 by CDBG on behalf of Buck Township. In addition, the Township failed to include the OPWC/CDBG revenues in their Certificate of Estimated Resources amendments. Furthermore, the Township did not appropriate the OPWC/CDBG funding sources for the year, contrary to the above requirements. The budgetary variance as disclosed in Note 3 is a result of the Township not budgeting the activity discussed in the Audit Bulletin. The Township should follow the guidance in AOS Bulletin 2000-008 to accurately present the Township's financial activity when State funding or on-behalf funding is received.

The financial statements for 2009 were adjusted to present the OPWC receipts and expenditures on behalf of the Township.

Township Response: The Township did not have a response.

**BUCK TOWNSHIP
HARDIN COUNTY
SCHEDULE OF PRIOR AUDIT FINDING
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; <i>Explain</i>
2007-001	ORC Sec 505.24 – Trustees annual salary documentation requirements	Yes	Corrected
2007-002	Fiscal Officer’s salary to be paid from General Fund only	Yes	Corrected



Mary Taylor, CPA
Auditor of State

BUCK TOWNSHIP

HARDIN 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, 2010**