



**BEAVER TOWNSHIP  
NOBLE COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**BEAVER TOWNSHIP  
NOBLE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Beaver Township  
Noble County  
57036 State Route 147  
Quaker City, Ohio 43773

To the Board of Trustees:

We have audited the accompanying financial statements of Beaver Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards 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 discussed in 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 Beaver Township, Noble County, as of December 31, 2000 and 1999, 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 April 6, 2001 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.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 6, 2001

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**BEAVER TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$3,325	\$10,421		\$13,746
Intergovernmental	10,118	57,911	10,675	78,704
Earnings on Investments	1,271	273		1,544
Other Revenue		20		20
	<u>14,714</u>	<u>68,625</u>	<u>10,675</u>	<u>94,014</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	11,337	31		11,368
Public Safety	715			715
Public Works		54,004		54,004
Health		2,640		2,640
Debt Service:				
Redemption of Principal			8,605	8,605
Interest and Fiscal Charges			1,989	1,989
Capital Outlay	100			100
	<u>12,152</u>	<u>56,675</u>	<u>10,594</u>	<u>79,421</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>2,562</u>	<u>11,950</u>	<u>81</u>	<u>14,593</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		932		932
Transfers-Out	(932)			(932)
Sale of Fixed Assets	200			200
	<u>(732)</u>	<u>932</u>	<u>0</u>	<u>200</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,830	12,882	81	14,793
Fund Cash Balances, January 1	<u>1,917</u>	<u>62,222</u>	<u>3,183</u>	<u>67,322</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$3,747</b></u>	<u><b>\$75,104</b></u>	<u><b>\$3,264</b></u>	<u><b>\$82,115</b></u>

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

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$3,090	\$9,706		\$12,796
Intergovernmental	7,005	88,567	3,265	98,837
Licenses, Permits, and Fees		800		800
Earnings on Investments	842	237		1,079
Other Revenue		18,415		18,415
	<u>10,937</u>	<u>117,725</u>	<u>3,265</u>	<u>131,927</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	12,675			12,675
Public Safety	358			358
Public Works		88,619		88,619
Health	1,500	1,534		3,034
Debt Service:				
Redemption of Principal			8,176	8,176
Interest and Fiscal Charges			692	692
Capital Outlay	96	34,068		34,164
	<u>14,629</u>	<u>124,221</u>	<u>8,868</u>	<u>147,718</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,692)</u>	<u>(6,496)</u>	<u>(5,603)</u>	<u>(15,791)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		31,018		31,018
Transfers-In		403		403
Transfers-Out	(403)			(403)
	<u>(403)</u>	<u>31,421</u>	<u>0</u>	<u>31,018</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,095)	24,925	(5,603)	15,227
Fund Cash Balances, January 1	6,012	37,297	8,786	52,095
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,917</u></b>	<b><u>\$62,222</u></b>	<b><u>\$3,183</u></b>	<b><u>\$67,322</u></b>

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



**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Beaver Township, Noble County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by 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 Village of Quaker City to provide fire and 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.

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.

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

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

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

FEMA Fund - This fund receives money from the Federal Emergency Management Agency to provide flood relief to the Township.

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

Mower Note Retirement Fund - This fund receives motor vehicle license tax money to pay principal and interest payments on a loan for a mower.

Tractor Note Retirement Fund - This fund receives motor vehicle license tax money to pay principal and interest payments on a loan for a tractor.

**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. 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 reapportioned in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**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.

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

The Township maintains a cash 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>2000</u>	<u>1999</u>
Demand deposits	\$65,781	\$51,919
Certificates of deposit	<u>16,334</u>	<u>15,403</u>
Total	<u><u>82,115</u></u>	<u><u>67,322</u></u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,119	\$14,914	\$3,795
Special Revenue	60,184	69,557	9,373
Debt Service	<u>10,844</u>	<u>10,675</u>	<u>(169)</u>
Total	<u><u>\$82,147</u></u>	<u><u>\$95,146</u></u>	<u><u>\$12,999</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,967	\$13,084	\$883
Special Revenue	91,071	56,675	34,396
Debt Service	<u>14,027</u>	<u>10,594</u>	<u>3,433</u>
Total	<u><u>\$119,065</u></u>	<u><u>\$80,353</u></u>	<u><u>\$38,712</u></u>

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,671	\$10,937	\$1,266
Special Revenue	75,542	149,146	73,604
Debt Service	3,370	3,265	(105)
Total	\$88,583	\$163,348	\$74,765

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$16,086	\$15,032	\$1,054
Special Revenue	110,276	124,221	(13,945)
Debt Service	11,485	8,868	2,617
Total	\$137,847	\$148,121	(\$10,274)

**Accountability and Compliance:**

An amended certificate of estimated resources and an amended appropriation resolution regarding \$31,018 of debt proceeds and the corresponding expenditures in the Road and Bridge Fund were not adopted by the Board of Trustees.

**4. PROPERTY TAX**

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

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.

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes - 1998	\$2,387	6.25%
General Obligation Note - 1999	24,800	5.85%
Total	\$27,187	

The 1998 general obligation notes were issued to finance the purchase of a mower. The remaining payment will be \$2,387, plus interest.

The 1999 general obligation notes were issued to finance the purchase of a tractor for maintenance of Township roads. This note will be repaid in five annual installments of \$6,200, plus interest.

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

Year ending December 31:	General Obligation Notes 1998	General Obligation Note 1999
2001	\$2,536	\$7,651
2002	0	7,288
2003	0	6,925
2004	0	6,563
Total	\$2,536	\$28,427

**6. RETIREMENT SYSTEMS**

The Township's employees, as well as elected officials, belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township has paid all contributions required through December 31, 2000.

**BEAVER TOWNSHIP  
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health and life insurance coverage to all Township employees through a private carrier.



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OFFICE OF THE AUDITOR

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

Beaver Township  
Noble County  
57036 State Route 147  
Quaker City, Ohio 43773

To the Board of Trustees:

We have audited the accompanying financial statements of Beaver Township, Noble County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 6, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 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 2000-41061-001 and 2000-41061-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 6, 2001.

**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 April 6, 2001.

Beaver Township  
Noble County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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.

**Jim Petro**  
Auditor of State

April 6, 2001



BEAVER TOWNSHIP  
NOBLE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-41061-001

**Ohio Rev. Code § 5705.36** requires subdivisions to request increased amended certificates of estimated resources if the legislative authority intends to appropriate and expend the excess revenue. During 1999, the Township received \$31,018 of debt proceeds which were neither recorded in the Township's books nor reflected on the Township's certificate of estimated resources.

As a result, it was necessary to increase receipts by \$31,018 in the Road and Bridge Fund.

We recommend the Township reflect debt proceeds as receipts and modify estimated resources accordingly.

FINDING NUMBER 2000-41061-002

**\*Ohio Rev. Code § 5705.41 (B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated. During 1999, the Township expended \$31,018 of debt proceeds for the purchase of a tractor which were neither reflected on the Township's books nor appropriated.

As a result, it was necessary to increase disbursements by \$31,018 in the Road and Bridge Fund.

We recommend the Township reflect the disbursement of debt proceeds as expenditures and adopt appropriations accordingly.

\*Noncompliance citation is the same as or similar to a citation presented in the prior report.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**BEAVER TOWNSHIP**

**NOBLE 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  
MAY 24, 2001**