

**BEAVER TOWNSHIP
NOBLE COUNTY**

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2006 AND 2005**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Beaver Township
57036 State Route 147
Quaker City, Ohio 43773

We have reviewed the *Independent Auditors' Report* of Beaver Township, Noble County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2005 through December 31, 2006. 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. Beaver Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 19, 2007

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**BEAVER TOWNSHIP
NOBLE COUNTY**

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INDEPENDENT AUDITORS' REPORT

Beaver Township, Noble County
Quaker City, OH

We have audited the accompanying financial statements of Beaver Township, Noble County, (the "Township") as of and for the years ended December 31, 2006 and 2005. 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 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated 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 effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2006 and 2005 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, 2006 and 2005, or its change in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2007 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 opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reports and compliance, and the results of that testing. 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 assessing the results of our audit.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.
November 16, 2007

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, 2006

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
CASH RECEIPTS				
Local taxes	\$ 4,889	\$ 15,349	\$ -	\$ 20,238
Intergovernmental	6,786	120,647	8,000	135,433
Licenses, permits, and fees	-	2,000	-	2,000
Earnings on investments	370	449	-	819
Other revenue	404	-	-	404
	TOTAL CASH RECEIPTS	138,445	8,000	158,894
CASH DISBURSEMENTS				
Current:				
General government	19,930	2,902	-	22,832
Public safety	1,787	-	-	1,787
Public works	-	89,635	-	89,635
Health	-	2,985	-	2,985
Debt service:				
Redemption of principle	-	-	6,325	6,325
Interest and fiscal charges	-	-	1,867	1,867
	TOTAL CASH DISBURSEMENTS	95,522	8,192	125,431
	TOTAL RECEIPTS			
OVER/(UNDER) DISBURSEMENTS	(9,268)	42,923	(192)	33,463
OTHER FINANCING				
RECEIPTS/(DISBURSEMENTS)				
Transfers-in	23,977	15,584	-	39,561
Transfers-out	(169)	(39,392)	-	(39,561)
	TOTAL OTHER FINANCING	(23,808)	-	-
RECEIPTS/(DISBURSEMENTS)	23,808	(23,808)	-	-
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	14,540	19,115	(192)	33,463
FUND CASH BALANCES, JANUARY 1	3,667	141,654	7,591	152,912
FUND CASH BALANCES, DECEMBER 31	\$ 18,207	\$ 160,769	\$ 7,399	\$ 186,375

See accompanying notes to the financial statements

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, 2005

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
CASH RECEIPTS				
Local taxes	\$ 4,344	\$ 13,668	\$ -	\$ 18,012
Intergovernmental	6,732	279,169	6,000	291,901
Licenses, permits, and fees	132	1,705	-	1,837
Earnings on investments	572	215	-	787
Other revenue	73	175	-	248
	11,853	294,932	6,000	312,785
CASH DISBURSEMENTS				
Current:				
General government	17,100	-	-	17,100
Public safety	987	-	-	987
Public works	-	260,383	-	260,383
Health	-	2,880	-	2,880
Debt service:				
Redemption of principle	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	45,762	-	45,762
	18,087	309,025	-	327,112
TOTAL CASH DISBURSEMENTS	18,087	309,025	-	327,112
TOTAL RECEIPTS				
OVER/(UNDER) DISBURSEMENTS	(6,234)	(14,093)	6,000	(14,327)
OTHER FINANCING				
RECEIPTS/(DISBURSEMENTS)				
Sale of fixed assets	300	-	-	300
Transfers-in	9,000	57,068	-	66,068
Transfers-out	(166)	(65,902)	-	(66,068)
Advances-in	2,000	2,000	-	4,000
Advances-out	(2,000)	(2,000)	-	(4,000)
Other financing sources	-	35,167	-	35,167
	9,134	26,333	-	35,467
TOTAL OTHER FINANCING	9,134	26,333	-	35,467
RECEIPTS/(DISBURSEMENTS)	9,134	26,333	-	35,467
Excess of cash receipts and other financing				
Receipts over/(under) cash disbursements and other financing disbursements	2,900	12,240	6,000	21,140
FUND CASH BALANCES, JANUARY 1	767	129,414	1,591	131,772
FUND CASH BALANCES, DECEMBER 31	\$ 3,667	\$ 141,654	\$ 7,591	\$ 152,912

See accompanying notes to the financial statements

BEAVER TOWNSHIP, NOBLE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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. 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 of specific revenue 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:

Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads and bridges.

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

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

Cemetery Fund – This fund receives money and fees from the sale of lots and opening and closing of graves for the purpose of maintaining, grooming and operating Township cemeteries.

BEAVER TOWNSHIP, NOBLE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Debt Service Fund

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 Fund:

General Note Retirement Fund – This fund was established to service the general obligation notes obtained for the purchase of fixed assets.

D. 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 and function 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 cancelled, and re-appropriated in the subsequent year.

A summary of 2006 and 2005 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.

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>2006</u>	<u>2005</u>
Demand deposits	<u>\$ 186,375</u>	<u>\$ 152,912</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by the financial institution's public entity deposit pool.

BEAVER TOWNSHIP, NOBLE COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted		Variance
	Receipts	Actual Receipts	
General	\$ 34,827	\$ 36,426	\$ 1,599
Special Revenue	144,586	154,029	9,443
Debt Service	8,400	8,000	(400)
Total	\$ 187,813	\$ 198,455	\$ 10,642

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$ 38,495	\$ 21,885	\$ 16,610
Special Revenue	286,237	134,915	151,322
Debt Service	15,991	8,192	7,799
Total	\$ 340,723	\$ 164,992	\$ 175,731

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted		Variance
	Receipts	Actual Receipts	
General	\$ 19,950	\$ 23,153	\$ 3,203
Special Revenue	334,310	389,167	54,857
Debt Service	6,000	6,000	-
Total	\$ 360,260	\$ 418,320	\$ 58,060

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$ 20,719	\$ 20,253	\$ 466
Special Revenue	463,722	376,928	86,794
Debt Service	7,591	-	7,591
Total	\$ 492,032	\$ 397,181	\$ 94,851

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 accompany financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

BEAVER TOWNSHIP, NOBLE COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

4. PROPERTY TAX - Continued

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. DEBT

A general obligation note for \$35,167 was issued in 2005 to finance the purchase of a \$45,167 dump truck; \$15,000 cash was paid as a downpayment. The note carries a fixed rate of interest of 5.31 percent and matures in May 2010. The loan is payable in five installments of \$8,193, including principal and interest; the first installment was due and paid in May 2006.

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

<u>Year ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 6,325	\$ 1,867	\$ 8,192
2007	6,661	1,531	8,192
2008	7,015	1,178	8,193
2009	7,387	805	8,192
2010	7,779	413	8,192
Total	<u>\$ 35,167</u>	<u>\$ 5,794</u>	<u>\$ 40,961</u>

6. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 2006 and 2005, PERS members contributed 9.0% and 8.5%, respectively, of their gross salaries. For 2006 and 2005, the Township contributed an amount equal to 13.70% and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

7. 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.

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

BEAVER TOWNSHIP, NOBLE COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

7. RISK MANAGEMENT - CONTINUED

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured specific losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop loss coverage based upon the combined members' total insurance value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limits for 2006 and 2005 were \$1,901,127 and \$1,682, 589, respectively.

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

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 earning at December 31, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 32,031,312	\$ 30,485,638
Liabilities	<u>\$ (11,443,952)</u>	<u>\$ (12,344,576)</u>
Retained earnings	<u>\$ 20,587,360</u>	<u>\$ 18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$ 10,010,963	\$ 9,177,796
Liabilities	<u>\$ (676,709)</u>	<u>\$ (1,406,031)</u>
Retained earnings	<u>\$ 9,334,254</u>	<u>\$ 7,771,765</u>

BEAVER TOWNSHIP, NOBLE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

7. RISK MANAGEMENT - CONTINUED

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and 11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and 11.6 million of unpaid claims to be billed approximately 958 and 950 member governments in the future, as of December 31, 2006 and 2005, 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 \$32,062 and \$38,872 at December 31, 2006 and December 31, 2005 respectively. This payable includes the subsequent year's contribution due if the Township terminates participation, as describes in the last paragraph below.

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.

Township Contributions to OTARMA	
2005	\$ 2,747
2006	\$ 4,263

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



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Beaver Township, Noble County
Quaker City, OH

We have audited the basic financial statements of Beaver Township, Noble County as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated November 16, 2007 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 *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 Beaver Township, Noble County'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 Beaver Township, Noble County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaver Township, Noble County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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We noted a certain matter we reported to management of Beaver Township, Noble County in a separate letter dated November 16, 2007.

This report is intended solely for the information and use of the board of directors, management and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.
November 16, 2007



Mary Taylor, CPA
Auditor of State

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
DECEMBER 31, 2007**