

Village of Beaver

Pike County

Regular Audit

January 1, 2002 through December 31, 2003

Fiscal Years Audited Under GAGAS: 2003 & 2002

**BALESTRA, HARR & SCHERER, CPAs, Inc.**

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**Auditor of State  
Betty Montgomery**

Members of Council  
Village of Beaver

We have reviewed the Independent Auditor's Report of the Village of Beaver, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 17, 2004

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# BALESTRA, HARR & SCHERER, CPAs, Inc.

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Member American Institute of Certified Public Accountants  
Accountants

Ohio Society of Certified Public

## Independent Auditor's Report

Members of Council  
Village of Beaver  
P.O. Box 238  
Beaver, Ohio 45613

We have audited the accompanying financial statements of the Village of Beaver, Pike County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose 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 discussed in Note 1, the Village 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Beaver, Pike County, Ohio, as of December 31, 2003, and December 31, 2002, and its combined cash receipts and cash 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 29, 2004, on our consideration of the Village'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 officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs, Inc.  
Balestra, Harr & Scherer, CPAs, Inc.

April 29, 2004

VILLAGE OF BEAVER  
PIKE 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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local taxes	\$8,029	\$10,164	\$0	\$18,193
Intergovernmental	60,842	17,850	0	78,692
Charges for services	4	44,881	0	44,885
Fines, licenses, and permits	7,082	0	0	7,082
Interest	1,127	0	0	1,127
Miscellaneous	11,844	0	0	11,844
Total Cash Receipts	88,928	72,895	0	161,823
Cash Disbursements:				
General government	56,235	16,500	0	72,735
Security of persons and property	18,952	32,282	0	51,234
Public health services	0	6,564	0	6,564
Leisure time activities	0	2,541	0	2,541
Transportation	0	4,698	0	4,698
Capital outlay	0	11,846	0	11,846
Debt service:				
Interest and Principal	1,458	0	0	1,458
Total Cash Disbursements	76,645	74,431	0	151,076
Excess of Cash Receipts Over/Under Cash Disbursements	12,283	(1,536)	0	10,747
Fund Cash Balances, January 1	13,054	61,734	181	74,969
Fund Cash Balances, December 31	\$25,337	\$60,198	\$181	\$85,716

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



VILLAGE OF BEAVER  
PIKE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH  
BALANCES - PROPRIETARY FUND TYPE -  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for services	\$153,680
Fines, licenses and permits	15
	153,695
Total Operating Cash Receipts	153,695
Operating Cash Disbursements:	
Personal services	12,991
Employee Fringe Benefits	1,736
Contractual services	62,859
Supplies and materials	27,230
Debt service:	
Principal	38,218
Interest and fiscal charges	30,581
Miscellaneous	1,532
	175,147
Total Operating Cash Disbursements	175,147
Operating Income/(Loss)	(21,452)
Fund Cash Balances, January 1	100,091
Fund Cash Balances, December 31	\$78,639

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

VILLAGE OF BEAVER  
PIKE 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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Local taxes	\$9,179	\$10,480	\$0	\$19,659
Intergovernmental	61,959	14,745	0	76,704
Charges for services	11	16,357	0	16,368
Fines, licenses, and permits	2,707	0	0	2,707
Interest	1,467	0	0	1,467
Proceeds from insurance	0	7,213	0	7,213
Miscellaneous	6,356	500	0	6,856
<b>Total Cash Receipts</b>	<b>81,679</b>	<b>49,295</b>	<b>0</b>	<b>130,974</b>
<b>Cash Disbursements:</b>				
General government	56,646	2,358	0	59,004
Security of persons and property	35,972	24,346	0	60,318
Public health services	0	5,411	0	5,411
Transportation	0	9,256	0	9,256
Capital outlay	0	12,000	0	12,000
Debt service:				
Interest and Principal	1,458	0	0	1,458
<b>Total Cash Disbursements</b>	<b>94,076</b>	<b>53,371</b>	<b>0</b>	<b>147,447</b>
Excess of Cash Receipts Over/Under Cash Disbursements	(12,397)	(4,076)	0	(16,473)
Fund Cash Balances, January 1	25,451	65,810	181	91,442
Fund Cash Balances, December 31	<u>\$13,054</u>	<u>\$61,734</u>	<u>\$181</u>	<u>\$74,969</u>

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

VILLAGE OF BEAVER  
PIKE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH  
BALANCES - PROPRIETARY FUND TYPE -  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for services	\$148,245
Fines, licenses and permits	135
Miscellaneous	26,388
Total Operating Cash Receipts	174,768
Operating Cash Disbursements:	
Personal services	31,161
Employee Fringe Benefits	4,400
Contractual services	56,314
Supplies and materials	31,706
Capital outlay	116,578
Debt service:	
Principal	629,292
Interest	1,220
Miscellaneous	1,087
Total Operating Cash Disbursements	871,758
Operating Income/(Loss)	(696,990)
Non-Operating Cash Receipts/(Disbursements):	
Intergovernmental revenue	52,093
Proceeds of loan	703,048
Total Non-Operating Cash Receipts/(Disbursements)	755,141
Net Receipts Over/(Under) Disbursements	58,151
Fund Cash Balances, January 1	41,942
Fund Cash Balances, December 31	\$100,093

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

VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Beaver, Pike County, (the Village) 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 Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities and police protection.

The Village's management believes these financial statements present all activities for which the Village 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 a payment is made rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The Village had one primary checking account and had certificates of deposit during 2003 and 2002.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village 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 by law or contract to be restricted.

**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 Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund - This fund received gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

State Highway Fund- This fund received gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

Cemetery Fund- This fund receives real estate and personal property taxes from Village property owners for the benefit of Beaver Union Cemetery.

VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

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

Fire Fund - This fund received real estate and personal property tax monies from Village property owners and fire contract monies from Union, Marion, and Beaver Township to be used for fire protection for residents of the Village and those Townships.

Revolving Loan Fund- This fund received principal and interest payments from individuals and businesses within the Village that obtained a revolving loan.

**3. Capital Project Funds**

This fund is used to account for receipts that is restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Operating Fund- This fund received monies charged to residents to cover the cost of providing this utility.

Sewer Operating Fund- This fund received monies charged to residents to cover the cost of providing this utility.

Rural Development Loan Fund- This fund received monies from USDA- Rural Development for construction of the sewer system.

Rural Development Grant Fund- This fund received grant monies for construction of the sewer system.

CDBG Pike County Formula Fund- This fund received grant monies for construction of the sewer system.

OPWC Loan Fund- This fund receives loan monies received from the Ohio Public Works Commission for construction of the sewer system.

Enterprise Deposit Fund- This fund receives deposits from new water customers.

OPWC Interest Assistance Fund- This fund receives monies received from Ohio Public Works Commission for interest regarding construction of the sewer system.

ARC Grant Fund- This fund received grant monies for construction of the sewer system.

VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations**

Budgetary expenditures (i.e., disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council 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 Village 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**H. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 2 – EQUITY IN POOLED CASH**

The Village 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:

	2003	2002
Demand Deposits	\$164,355	\$175,062

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

**Note 3 - BUDGETARY ACTIVITY**

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

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$116,880	\$88,928	(\$27,952)
Special Revenue	86,701	72,895	(13,806)
Enterprise	239,250	153,695	(85,555)
<b>Total</b>	<b>\$442,831</b>	<b>\$315,518</b>	<b>(\$127,313)</b>

2003 Budgeted vs. Actual Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$85,623	\$76,645	\$8,978
Special Revenue	55,804	74,431	(18,627)
Enterprise	239,085	175,147	63,938
<b>Total</b>	<b>\$380,512</b>	<b>\$326,223</b>	<b>\$54,289</b>

In 2003, the Village had disbursements exceeding appropriations in the Special Revenue Fire Fund of \$6,992.

In 2003, the Village also certified appropriations exceeding estimated resources as follows: Cemetery Fund, \$728; OPWC Loan Fund, \$5,215; ARC Grant Fund, \$16,190; Sewer Operating Fund, \$122,757. This is in violation of Ohio Revised Code Section 5705.39, which prohibits total appropriations exceeding the total estimated revenue.

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$110,416	\$81,679	(\$28,737)
Special Revenue	116,671	49,295	(67,376)
Enterprise	132,991	929,909	796,918
Agency	0	0	0
<b>Total</b>	<b>\$360,078</b>	<b>\$1,060,883</b>	<b>\$700,805</b>

VILLAGE OF BEAVER  
 PIKE COUNTY  
 JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 3 - BUDGETARY ACTIVITY (Continued)**

Fund Type	2002 Budgeted vs. Actual Disbursements		
	Appropriation	Actual	Variance
	Authority	Disbursements	
General	\$110,390	\$94,076	\$16,314
Special Revenue	69,316	53,371	15,945
Enterprise	283,409	871,758	(588,349)
Agency	100	0	100
<b>Total</b>	<b>\$463,215</b>	<b>\$1,019,205</b>	<b>(\$555,990)</b>

In 2002, the Village had disbursements exceeding appropriations in the Enterprise Fund Type as follows: Rural Development Grant Fund, \$628,704 and Enterprise Debt Service Fund, \$25,048.

In 2002, the Village also certified appropriations exceeding estimated resources as follows: Street Construction, Maintenance, and Repair Fund, \$4,350, Cemetery Fund, \$5,500; Fire Fund, \$510; OPWC Loan Fund, \$9,658; ARC Grant Fund, \$38,351; OWDA Loan Fund, \$35,162; Water Operating Fund, \$3,003; Sewer Operating Fund, \$78,850; and Unclaimed Monies Fund, \$100. This is in violation of Ohio Revised Code Section 5705.39, which prohibits total appropriations exceeding the total estimated revenue.

**Note 4 - PROPERTY TAX**

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

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 Village.

**Note 5 - RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees, as well as the Mayor, the Clerk, and the members of Council, belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55 % of participants' wages. The Village had no outstanding contributions at December 31, 2003.



VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 6 - RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

The Village is a member of the Ohio Municipal League Joint Self-Insurance Pool. The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Village also provides health insurance and life insurance to full-time employees through a private carrier.

**Note 7 - DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Year Issued	Interest Rate	Outstanding Balance
Kubota Credit Corporation – Lawn Tractor	1999	7.99%	\$5,938
Software Solutions – Utility Billing System	2000	0.00%	2,144
Wastewater Treatment Plant:			
Ohio Public Works Commission	2001	0.00%	375,780
WSOS Community Action Commission	2002	4.00%	22,966
Ohio Water Development Authority	2002	2.00%	54,981
USDA Rural Development	2002	4.50%	615,200
Total			<u>\$1,077,009</u>

A amortization of the above debt, including interest of \$721,305, is scheduled as follows:

Year Ending December 31:	Amount
2004	\$55,691
2005	49,202
2006	49,219
2007	49,222
2008	49,311
Thereafter	<u>1,545,669</u>
Total	<u>\$1,798,314</u>

**Note 8 - CAPITAL LEASE**

The Village entered into a lease agreement in September, 2001 for a Toshiba copier. Payments are made from the general fund. The remaining future payment under this capital lease as of December 31, 2003 is \$1,093 due in 2004.

VILLAGE OF BEAVER  
PIKE COUNTY  
JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

NOTES TO THE FINANCIAL STATEMENTS

**Note 9 - LOANS RECEIVABLE**

Loans outstanding at December 31, 2003, made from the Village's Revolving Loan Fund, totaled \$3,500. These loans were made to various individuals in amounts ranging from \$4,560 to \$7,700. The interest rate for all loans was 5% and the terms varied. Borrowers were required to sign a debt agreement with the Village. The Village did not have any more than a second mortgage on any of the revolving loans. Loans outstanding at December 31, 2003, made from the Sewer Operating Fund, totaled \$2,449. These loans were made to various individuals whom could not pay the sewer hook-up fee in a lump sum payment. Loan amounts ranged from \$500 to \$3,000. Collections are made along with the Village's monthly water/sewer bill. As of December 31, 2003, all loans were being repaid as set forth in the agreements.

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Member American Institute of Certified Public Accountants  
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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of Council  
Village of Beaver  
P.O. Box 238  
Beaver, Ohio 45613

We have audited the accompanying general purpose financial statements of the Village of Beaver, Pike County, Ohio (the Village), as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated April 29, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Village'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 two instances of noncompliance that are required to be reported under *Governmental Auditing Standards*. These reportable citations are described in the accompanying schedule of findings as items 2003-01 and 2003-02. We also noted certain immaterial instances of noncompliance which we have reported to the management of the Village of Beaver in a separate letter dated April 29, 2004.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village'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, which we have reported to the management of the Village in a separate letter dated April 29, 2004.

This report is intended solely for the information and use of the members of Village Council and the Board of Public Affairs, and of management, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs, Inc.  
Balestra, Harr & Scherer, CPAs, Inc.

April 29, 2004

VILLAGE OF BEAVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505

JANUARY 1, 2002 THROUGH DECEMBER 31, 2003

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

Finding Number	Reportable Citation:
2003-01	Ohio Revised Code Section 5705.40 states that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. Ohio Rev. Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated. The Village should have acquired supplemental appropriations for the following funds: the Rural Development Fund, \$628,704 and the Enterprise Debt Service Fund, \$25,048 for 2002 and the Fire Fund, \$6,992, for 2003.
2003-02	Ohio Rev. Code Section 5705.39 requires the total appropriation from each fund shall not exceed the total estimated revenue. The Village passed appropriations that exceeded the total estimated revenue as follows: 2002: Street Fund, \$4,350; Cemetery Fund, \$5,500; Fire Fund, \$510; OPWC Loan Fund, \$9,658; ARC Grant Fund, \$38,351; OWDA Loan Fund, \$35,162; Water Operating Fund, \$3,003; and Sewer Operating Fund, \$78,850. 2003: Cemetery Fund, \$728; OPWC Loan Fund, \$5,215; ARC Grant Fund, \$16,190; Sewer Operating Fund, \$122,757; and Unclaimed Monies Fund, \$100.

CORRECTIVE ACTION PLAN

Finding Number:	Planned Corrective Action:	Anticipated Completion Date:	Responsible Contact Person:
2003-01	The Clerk/Treasurer will monitor budgetary process more closely.	12/31/04	Sandra Cooper, Clerk/Treasurer
2003-02	The Clerk/Treasurer will monitor budgetary process more closely.	12/31/04	Sandra Cooper, Clerk/Treasurer

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number:	Finding Summary:	Fully Corrected?	Not Corrected or Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid – Explain?
2001-01	ORC 5705.41(B) – Disbursements in excess of appropriations	Yes.	Fully Corrected.
2001-02	ORC 5705.39 – Appropriations in excess of total estimated revenue	No	Not Corrected – See Finding 2003-02 above.



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF BEAVER**

**PIKE 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 31, 2004**