



OHIO AUDITOR OF STATE  
**KEITH FABER**





BEAVER TOWNSHIP  
MAHONING COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Beaver Township  
Mahoning County  
11999 South Avenue  
P.O. Box 598  
North Lima, Ohio 44452

To the Township Trustees:

### **Report on the Audit of the Financial Statements**

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Beaver Township, Mahoning County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Beaver Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024

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**BEAVER TOWNSHIP  
MAHONING COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$595,175	\$2,975,951	\$3,571,126
Charges for Services		477,220	477,220
Licenses, Permits and Fees	153,364		153,364
Fines and Forfeitures	9,130	29,520	38,650
Intergovernmental	161,464	535,916	697,380
Special Assessments	13,970		13,970
Earnings on Investments	235,809	29,303	265,112
Miscellaneous	51,930	243,289	295,219
<i>Total Cash Receipts</i>	<i>1,220,842</i>	<i>4,291,199</i>	<i>5,512,041</i>
<b>Cash Disbursements</b>			
Current:			
General Government	715,565		715,565
Public Safety		2,984,175	2,984,175
Public Works		307,831	307,831
Health	67,761		67,761
Conservation-Recreation	93,330		93,330
Miscellaneous		8,410	8,410
Capital Outlay	26,823	1,185,458	1,212,281
Debt Service:			
Principal Retirement		91,751	91,751
Interest and Fiscal Charges		4,683	4,683
<i>Total Cash Disbursements</i>	<i>903,479</i>	<i>4,582,308</i>	<i>5,485,787</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>317,363</i>	<i>(291,109)</i>	<i>26,254</i>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Equipment		20,503	20,503
Transfers In	43	5,500	5,543
Transfers Out	(5,500)	(43)	(5,543)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(5,457)</i>	<i>25,960</i>	<i>20,503</i>
<i>Net Change in Fund Cash Balances</i>	<i>311,906</i>	<i>(265,149)</i>	<i>46,757</i>
<i>Fund Cash Balances, January 1</i>	<i>1,090,622</i>	<i>3,684,027</i>	<i>4,774,649</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,402,528</i>	<i>\$3,418,878</i>	<i>\$4,821,406</i>

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

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Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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### **Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Beaver Township, Mahoning County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, park maintenance, recycling, fire protection and emergency medical services and police protection.

### **Public Entity Risk Pool**

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

#### **Public Entity Risk Pool:**

Ohio Township Association Risk Management Authority (OTARMA) – a risk sharing pool that provides the Township with casualty and property insurance.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

### **Note 2 – Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

#### **Fund Accounting**

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

**Police District Fund** This fund receives property tax money and other revenue for paying payroll, equipment and operational expenses in the police department.

**Fire District Fund** This fund receives property tax money and other revenue for paying payroll, equipment and operational expenses in the fire department.

#### **Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

### **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 of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of 2023 budgetary activity appears in Note 3.

### **Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

### **Capital Assets**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

### **Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

### **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Beaver Township  
 Mahoning County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2023

**Non-spendable** The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

**Restricted** Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$1,220,227	\$1,220,885	\$658
Special Revenue	4,315,785	4,317,202	1,417
Total	<u>\$5,536,012</u>	<u>\$5,538,087</u>	<u>\$2,075</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgetary	Appropriation	Variance
	Expenditures	Authority	
General	\$938,421	\$1,026,706	\$88,285
Special Revenue	4,645,612	5,181,852	536,240
Total	<u>\$5,584,033</u>	<u>\$6,208,558</u>	<u>\$624,525</u>

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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#### **Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2023
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$188,315
Total deposits	<u>188,315</u>
STAR Ohio	4,633,091
Total investments	<u>4,633,091</u>
Total carrying amount of deposits and investments	<u>4,821,406</u>

#### **Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

#### **Investments**

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book entry form.

#### **Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

#### **Note 6 – Risk Management**

##### **Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<u>2023</u>	
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs, if material and in conjunction with the following program. The Township belongs to the Ohio Township Association Worker's Compensation Group Rating Program. The program is administered by Sedgwick. The Township paid \$4,025 to Sedgwick to participate in this program.

#### **Note 7 – Defined Benefit Pension Plans**

##### **Ohio Public Employees Retirement System**

Forty-seven (47) employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS Local members contributed 10% percent of their gross salaries and the Township contributed an amount equaling 14% percent of participants' gross salaries. OPERS Law Enforcement members contributed 13% percent of their gross salaries and the Township contributed an amount equaling 18.1% percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

##### **Social Security**

Twenty-four (24) of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

#### **Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan was 0 percent and was 2 percent for the combined plan for calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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**Note 9 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
2020 Fire Truck	\$94,063	2.52%
Total	<u><u>\$94,063</u></u>	

The Township issued debt in order to finance the purchase of a fire truck for the Township Fire Department, the loan has a 2.52% interest rate. The installments of \$96,433.79 are paid annually for 5 years.

***Amortization***

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

Year Ending December 31:	Fire Pickup truck
2024	96,434
Total	<u><u>\$96,434</u></u>

**Note 10 – Construction and Contractual Commitments**

In 2023, O.T. Beight finished repairs to a group of headstones behind the Veterans Memorial at a cost of \$20,000, Foust Construction finished the new concrete pads around the safety building at a cost of \$475,997, tree removal was finished at Memorial Park for expanding parking, improving the forest and providing for a forest walkway by Evans Land Clearing. The Park Department added benches to Memorial Park, had excavating work done by Moderalli Excavating at a cost of \$53,739, added a pavilion by Salem Structures and had landscaping done by Baird Landscaping. The parking lot at Woodworth Park was sealed and striped by S&B Asphalt at a cost of \$3,650.

The Fire Department received a 2023 Ford E450 ambulance chassis from Penn Care at a cost of \$158,280. The Police Department purchased a new repeater from Service 1 at a cost of \$4,215 and a copier from Doing Better Business at a cost of \$4,419. The Dispatch Department was eliminated at year-end and all dispatch services began at Austintown Township on January 1<sup>st</sup>, 2024. The Road Department completed the Sharrott Creek paving and culvert project and the 2022 Chip and Seal Township project thru the OPWC and the Gas Tax Fund, Motor Vehicle License Tax Fund and the Permissive Motor Vehicle License Tax Fund. The Road Department received a 2023 International HV507 Dump Truck from Hill International Trucks, LLC at a cost of \$190,800 and snowplow from Gledhill Road Machinery at a cost of \$18,628, purchased a Case Wheel Loader and broom attachment from Southeastern Equipment at a cost of \$118,392, added a tree saw attachment to the excavator from Redtail Attachment and put a new cover over salt dome by Miller Builders.

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

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**Note 11 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special		
	General	Revenue	Total
Outstanding Encumbrances	29,442	63,261	92,703
Total	<u>\$29,442</u>	<u>\$63,261</u>	<u>\$92,703</u>

The fund balance of special revenue funds is either restricted or assigned. These restricted and assigned amounts in the special revenue would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – Covid-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023.

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**BEAVER TOWNSHIP  
MAHONING COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$552,496	\$2,840,283	\$3,392,779
Charges for Services	15	362,130	362,145
Licenses, Permits and Fees	89,919		89,919
Fines and Forfeitures	6,795	31,778	38,573
Intergovernmental	140,226	853,485	993,711
Earnings on Investments	46,438	4,601	51,039
Miscellaneous	43,821	91,490	135,311
<i>Total Cash Receipts</i>	<u>879,710</u>	<u>4,183,767</u>	<u>5,063,477</u>
<b>Cash Disbursements</b>			
Current:			
General Government	657,580		657,580
Public Safety		2,660,814	2,660,814
Public Works		353,923	353,923
Health	65,120		65,120
Conservation-Recreation	60,982		60,982
Miscellaneous		14,956	14,956
Capital Outlay	17,560	635,300	652,860
Debt Service:			
Principal Retirement		89,496	89,496
Interest and Fiscal Charges		6,938	6,938
<i>Total Cash Disbursements</i>	<u>801,242</u>	<u>3,761,427</u>	<u>4,562,669</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>78,468</u>	<u>422,340</u>	<u>500,808</u>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Equipment		2,000	2,000
Transfers In		5,500	5,500
Transfers Out	(5,500)		(5,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,500)</u>	<u>7,500</u>	<u>2,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>72,968</u>	<u>429,840</u>	<u>502,808</u>
<i>Fund Cash Balances, January 1</i>	<u>1,017,654</u>	<u>3,254,187</u>	<u>4,271,841</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,090,622</u>	<u>\$3,684,027</u>	<u>\$4,774,649</u>

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

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Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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### **Note 1 – Reporting Entity**

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### **Public Entity Risk Pool**

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#### **Public Entity Risk Pool:**

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The Township's management believes these financial statements present all activities for which the Township is financially accountable.

### **Note 2 – Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

#### **Fund Accounting**

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

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Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

### **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 of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of 2022 budgetary activity appears in Note 3.

### **Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

### **Capital Assets**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

### **Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

### **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Beaver Township  
 Mahoning County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2022

**Non-spendable** The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

**Restricted** Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$875,477	\$879,710	\$4,233
Special Revenue	4,190,818	4,191,267	449
Total	<u>\$5,066,295</u>	<u>\$5,070,977</u>	<u>\$4,682</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$940,273	\$838,385	\$101,888
Special Revenue	4,779,413	4,165,830	613,583
Total	<u>\$5,719,686</u>	<u>\$5,004,215</u>	<u>\$715,471</u>

Beaver Township  
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Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2022
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$195,909
Total deposits	<u>195,909</u>
 STAR Ohio	
Total investments	4,578,740
Total carrying amount of deposits and investments	<u>4,578,740</u>
	<u><u>4,774,649</u></u>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

**Investments**

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book entry form.

**Note 5– Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 – Risk Management/Risk Pool**

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<u>2022</u>	
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs, if material and in conjunction with the following program. The Township belongs to the Ohio Township Association Worker's Compensation Group Rating Program. The program is administered by Sedgwick. The Township paid \$3,830 to Sedgwick to participate in this program.

#### **Note 7 – Defined Benefit Pension Plans**

##### **Ohio Public Employees Retirement System**

Fifty-two (52) employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS Local members contributed 10% percent of their gross salaries and the Township contributed an amount equaling 14% percent of participants' gross salaries. OPERS Law Enforcement members contributed 13% percent of their gross salaries and the Township contributed an amount equaling 18.1% percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

##### **Social Security**

Twenty-six (26) of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

#### **Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan was 0 percent for calendar year 2022 and the combined plan was 0 percent from January 1, 2022 to June 30, 2022 and was 2 percent from July 1, 2022 to December 31, 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

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For the Year Ended December 31, 2022

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**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
2020 Fire Truck	\$185,815	2.52%
Total	<u><u>\$185,815</u></u>	

The Township issued debt in order to finance the purchase of a fire truck for the Township Fire Department, the loan has a 2.52% interest rate. The installments of \$96,433.79 are paid annually for 5 years.

**Amortization**

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

Year Ending December 31:	Fire Pickup truck
2023	\$96,434
2024	96,434
Total	<u><u>\$192,868</u></u>

**Note 10 – Construction and Contractual Commitments**

In 2022, the Township approved O.T. Beight to repair a group of headstones behind the Veterans Memorial at a cost of \$10,000, installed a meeting room TV from Tech Advisors at a cost of \$2,519 and Livescan from ID Networks at a cost of \$6,495, began plans for new concrete pads to be constructed around the safety building in 2023 and started tree removal at Memorial Park for expanding parking, improving the forest and providing for a forest walkway by Evans Land Clearing. The Park Department expanded the playground by Digger Excavating and installed new playground equipment at Woodworth Park from Play with a Purpose at a cost of \$9,556, added new security cameras from Tight Spot, repaired the ceiling and added flower boxes from Bieber Construction at a cost of \$5,950 and did major repairs to the concrete floor from Sandrock Concrete at a cost of \$8,955, all at the Woodworth Park Pavilion.

The Fire Department installed new audio/visual equipment for their meeting room from Mark Plegge at a cost of \$4,720, ordered a 2023 Ford E450 ambulance chassis from PennCare to be delivered in 2023, installed a new repeater and pagers from Service 1 at a cost of \$8,065 and installed new computers from Tech Advisors at a cost of \$5,460. The Police Department purchased a 2022 Ford Explorer cruiser delivered in 2022 at a cost of \$33,258 and ordered a 2023 Ford Explorer cruiser for delivery in 2023 from Montrose Ford, received new tasers from Axon Enterprises thru the Federal Law Enforcement Fund at a cost of \$47,500 and purchased a new voice stress machine from NITV Federal Services thru the Law Enforcement Trust Fund at a cost of \$7,795. The Road Department completed the Sharrott Creek paving and culvert project at a cost of \$164,466 and the 2022 Chip and Seal Township project thru the OPWC and the Gas Tax Fund, Motor Vehicle License Tax Fund and the Permissive Motor Vehicle License Tax Fund at a cost of \$125,065. The Road Department also ordered a 2023 International HV507 Dump Truck from Hill International Trucks, LLC and snow plow from Gledhill Road Machinery to be delivered in 2023.

Beaver Township  
Mahoning County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 11 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	Special		
	General	Revenue	Total
Outstanding Encumbrances	31,643	404,403	436,046
Total	<u><u>\$31,643</u></u>	<u><u>\$404,403</u></u>	<u><u>\$436,046</u></u>

The fund balance of special revenue funds is either restricted or assigned. These restricted and assigned amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – Covid-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023.

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65 East State Street  
Columbus, Ohio 43215  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Beaver Township  
Mahoning County  
11999 South Avenue  
P.O. Box 598  
North Lima, Ohio 44452

To the Township Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Beaver Township, Mahoning County, (the Township) and have issued our report thereon dated December 16, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness or significant deficiencies may exist that were not identified.

Beaver Township  
Mahoning County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024

# OHIO AUDITOR OF STATE KEITH FABER



BEAVER TOWNSHIP

MAHONING COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/14/2025

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)