

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2003 and 2002

ROGER LEFFEL, CLERK



**Auditor of State
Betty Montgomery**

Board of Trustees
Noble Township
15460 St. Rt. 66
St. Marys, Ohio 45885

We have reviewed the Independent Auditor's Report of Noble Township, Auglaize County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 to 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. Noble Township is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY
Auditor of State

March 2, 2004

This Page is Intentionally Left Blank.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1
Combined Statement of Fund Balances - All Fund Types - Cash Basis December 31, 2003 and 2002	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For the Year Ended December 31, 2003.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For the Year Ended December 31, 2002.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For the Year Ended December 31, 2002.....	6
Notes to the Financial Statements.....	7 - 14
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	15 - 16
Schedule of Prior Audit Findings	17

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report

Board of Trustees
Noble Township, Auglaize County
15460 St. Rt. 66
St. Marys, OH 45885

We have audited the accompanying financial statements of Noble Township, (the “Township”), Auglaize County, as of and for the years ended December 31, 2003 and 2002. 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 *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 2, Noble Township prepares its financial statements on the basis of accounting prescribed or permitted by 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 cash balances and fund balances of the Township, as of December 31, 2003 and 2002, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 19, 2004, on our consideration of the the Township’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Trimble, Julian & Grube, Inc.
January 19, 2004

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF FUND BALANCES
ALL FUND TYPES - CASH BASIS
DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>Cash and Cash Equivalents</u>		
Cash and Cash Equivalents	<u>\$ 83,462</u>	<u>\$ 106,734</u>
Total Cash and Cash Equivalents	<u><u>\$ 83,462</u></u>	<u><u>\$ 106,734</u></u>
<u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 26,387	\$ 61,873
Special Revenue Funds	<u>57,075</u>	<u>44,861</u>
Total Governmental Fund Types	<u>83,462</u>	<u>106,734</u>
Total Fund Balances	<u><u>\$ 83,462</u></u>	<u><u>\$ 106,734</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

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

	Governmental Funds		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 32,575	\$ 92,070	\$ 124,645
Intergovernmental	24,619	71,683	96,302
Licenses, permits and fees	2,714	-	2,714
Interest	410	154	564
Total cash receipts	60,318	163,907	224,225
Cash disbursements:			
Current:			
General government	49,953	1,151	51,104
Public safety	760	24,816	25,576
Public works	32,340	99,808	132,148
Health	100	-	100
Capital outlay	1,267	-	1,267
Debt service:			
Principal	-	34,186	34,186
Interest	-	773	773
Total cash disbursements	84,420	160,734	245,154
Total cash receipts over/(under) cash disbursements	(24,102)	3,173	(20,929)
Other financing receipts/(disbursements):			
Advance in	-	8,859	8,859
Advance (out)	(8,859)	-	(8,859)
Other financing receipts	99	182	281
Other financing (disbursements)	(2,624)	-	(2,624)
Total other financing receipts/(disbursements)	(11,384)	9,041	(2,343)
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing (disbursements)	(35,486)	12,214	(23,272)
Cash fund balances, January 1, 2003	61,873	44,861	106,734
Cash fund balances, December 31, 2003	\$ 26,387	\$ 57,075	\$ 83,462

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances Outstanding at 12/31/03	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 61,873	\$ 115,607	\$ 177,480	\$ 60,417	\$ (55,190)	\$ -	\$ 177,480	\$ 177,480	\$ 95,903	\$ -	\$ 95,903	\$ 81,577
Special Revenue	44,861	154,901	199,762	172,948	18,047	-	199,762	199,762	160,734	-	160,734	39,028
Total												
(Memorandum Only)	<u>\$ 106,734</u>	<u>\$ 270,508</u>	<u>\$ 377,242</u>	<u>\$ 233,365</u>	<u>\$ (37,143)</u>	<u>\$ -</u>	<u>\$ 377,242</u>	<u>\$ 377,242</u>	<u>\$ 256,637</u>	<u>\$ -</u>	<u>\$ 256,637</u>	<u>\$ 120,605</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 31,643	\$ 89,086	\$ 120,729
Intergovernmental	100,584	71,587	172,171
Licenses, permits and fees	1,586	-	1,586
Interest	636	193	829
Miscellaneous	-	943	943
Total cash receipts	<u>134,449</u>	<u>161,809</u>	<u>296,258</u>
Cash disbursements:			
Current:			
General government	47,007	1,086	48,093
Public safety	540	23,556	24,096
Public works	31,585	98,877	130,462
Health	99	-	99
Capital outlay	4,084	-	4,084
Debt service:			
Principal	-	14,148	14,148
Interest	-	2,186	2,186
Total cash disbursements	<u>83,315</u>	<u>139,853</u>	<u>223,168</u>
Total cash receipts over cash disbursements	<u>51,134</u>	<u>21,956</u>	<u>73,090</u>
Other financing receipts/(disbursements):			
Advance in	-	8,859	8,859
Advance (out)	(8,859)	-	(8,859)
Other financing receipts	1,628	-	1,628
Other financing (disbursements)	(1,259)	-	(1,259)
Total other financing receipts/(disbursements)	<u>(8,490)</u>	<u>8,859</u>	<u>369</u>
Excess of cash receipts and other financing receipts over cash disbursements and other financing (disbursements)	42,644	30,815	73,459
Cash fund balances, January 1, 2002	<u>19,229</u>	<u>14,046</u>	<u>33,275</u>
Cash fund balances, December 31, 2002	<u>\$ 61,873</u>	<u>\$ 44,861</u>	<u>\$ 106,734</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2002 Appropriations	Total	Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02	Total	Variance Favorable (Unfavorable)
	Governmental:											
General	\$ 19,229	\$ 138,914	\$ 158,143	\$ 136,077	\$ (2,837)	\$ -	\$ 98,067	\$ 98,067	\$ 93,433	\$ -	\$ 93,433	\$ 4,634
Special Revenue	14,046	224,898	238,944	170,668	(54,230)	-	238,944	238,944	139,853	-	139,853	99,091
Total (Memorandum Only)	<u>\$ 33,275</u>	<u>\$ 363,812</u>	<u>\$ 397,087</u>	<u>\$ 306,745</u>	<u>\$ (57,067)</u>	<u>\$ -</u>	<u>\$ 337,011</u>	<u>\$ 337,011</u>	<u>\$ 233,286</u>	<u>\$ -</u>	<u>\$ 233,286</u>	<u>\$ 103,725</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

NOTE 1 - DESCRIPTION OF THE ENTITY

Noble Township (the "Township") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Township is directed by a publicly-elected three member Board of Trustees. The Township provides general governmental services, including road maintenance, emergency medical services and fire protection.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Township's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Township are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Township.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Township not required to be included 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 are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Township had the following significant Special Revenue Fund:

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

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. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Township's Trustees. There were supplemental appropriations during December 31, 2003 and 2002.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates. The Auglaize County Budget Commission waived the requirement for filing a tax budget for 2003 and 2002.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Township receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Township determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Township had no outstanding encumbrances at December 31, 2003 and 2002.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Township considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Township with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to its respective funds. Interest income earned and received by the Township totaled \$564 and \$829 for the years ended December 31, 2003 and 2002, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Township's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements are recorded when received in accordance with the Township's cash basis method of accounting.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Township had transactions between funds. These transactions included advances of resources from one fund to another fund.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

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

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2003	2002
Deposits	<u>\$ 83,462</u>	<u>\$ 106,734</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

NOTE 4 - DEBT OBLIGATIONS

At December 31, 2003 the Township debt obligation consisted of the following issuance:

<u>Description</u>	<u>Balance December 31, 2003</u>
2000 loan with Ohio Public Works Commission (OPWC) for a multi-road resurfacing program due in semi-annual installments of \$2,836 through July 2015, bearing no interest.	<u>\$ 65,229</u>
Total debt obligation at December 31, 2003	<u><u>\$ 65,229</u></u>

Transactions for the years ended December 31, 2003 and 2002 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2002</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2003</u>
Loan - OPWC	\$ 70,901	\$ -	\$ 5,672	\$ 65,229
Loan - Truck	<u>28,514</u>	<u>-</u>	<u>28,514</u>	<u>-</u>
Totals	<u><u>\$ 99,415</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,186</u></u>	<u><u>\$ 65,229</u></u>

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 4 - DEBT OBLIGATIONS - (Continued)

<u>Description</u>	<u>Balance at December 31, 2001</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2002</u>
Loan - OPWC	\$ 76,573	\$ -	\$ 5,672	\$ 70,901
Loan - Truck	<u>36,990</u>	<u>-</u>	<u>8,476</u>	<u>28,514</u>
Totals	<u>\$ 113,563</u>	<u>\$ -</u>	<u>\$ 14,148</u>	<u>\$ 99,415</u>

The principal and interest requirements to retire the debt obligation outstanding at December 31, 2003, is as follows:

<u>Year Ending December 31</u>	<u>Loan - OPWC Principal</u>
2004	\$ 5,672
2005	5,672
2006	5,672
2007	5,672
2008	5,672
2009 - 2013	28,360
2014 - 2015	<u>8,509</u>
Total	<u>\$ 65,229</u>

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the Township.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

NOTE 5 - 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.

NOTE 6 - RETIREMENT SYSTEM

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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, PERS members contributed 8.5% of their gross salaries. The township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. As of December 31, 2003 the township has paid all contributions required through December 31, 2003 and 2002.

NOTE 7 - RISK MANAGEMENT

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), is a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

I. Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

NOTE 7 - RISK MANAGEMENT - (Continued)

II. Property Insurance

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. The Travelers Indemnity Company reinsures specific losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

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 government.

III. Financial Position

OTARMA's financial statements (audited by other accountants) conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31, 2002: (latest information available)

<u>Casualty Coverage</u>	<u>2002</u>
Assets	\$ 23,757,036
Liabilities	<u>(9,197,512)</u>
Retained earnings	<u>\$ 14,559,524</u>
 <u>Property Coverage</u>	 <u>2002</u>
Assets	\$ 6,596,996
Liabilities	<u>(1,204,326)</u>
Retained earnings	<u>\$ 5,392,670</u>

NOTE 8 - CONTINGENT LIABILITY

LITIGATION

The Township is currently not involved in litigation.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Noble Township, Auglaize County
15460 St. Rt. 66
St. Marys, OH 45885

We have audited the financial statements of Noble Township, Auglaize County, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated January 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Noble Township's, Auglaize County, 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 no instances of noncompliance that are required to be reported under *Government Auditing*.

Board of Trustees
Noble Township

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Noble Township's, Auglaize County, 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 that might be considered to 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.

This report is intended for the information of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
January 19, 2004

**NOBLE TOWNSHIP
AUGLAIZE COUNTY, OHIO
DECEMBER 31, 2003 AND 2002**

SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-NT-001	Ohio Revised Code Section 5705.41(B)	Yes	Finding no longer valid.

This Page is Intentionally Left Blank.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

NOBLE TOWNSHIP

AUGLAIZE 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
MARCH 16, 2004**