



**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF CHATFIELD
CRAWFORD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Chatfield
Crawford County
P.O. Box 102
Chatfield, Ohio 44825

To the Village Council:

We have audited the accompanying financial statements of the Village of Chatfield, Crawford County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2000 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 6, 2000

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Local Taxes	\$2,845	\$0	\$2,845
Intergovernmental Receipts	13,270	6,251	19,521
Fines, Licenses, and Permits	110	0	110
Miscellaneous	1,384	302	1,686
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	17,609	6,553	24,162
Cash Disbursements:			
Current:			
Security of Persons and Property	3,624	0	3,624
Public Health Services	304	0	304
Basic Utility Services	368	0	368
Transportation	0	1,813	1,813
General Government	12,607	0	12,607
Capital Outlay	6,454	0	6,454
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	23,357	1,813	25,170
Total Cash Receipts Over/(Under) Cash Disbursements	(5,748)	4,740	(1,008)
Fund Cash Balances, January 1, 1999	<hr/>	<hr/>	<hr/>
	30,024	15,796	45,820
Fund Cash Balances, December 31, 1999	<u>\$24,276</u>	<u>\$20,536</u>	<u>\$44,812</u>

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

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Local Taxes	\$2,595	\$132	\$2,727
Intergovernmental Receipts	20,791	6,576	27,367
Fines, Licenses, and Permits	50	0	50
Miscellaneous	1,945	314	2,259
	<u>25,381</u>	<u>7,022</u>	<u>32,403</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	3,798	0	3,798
Public Health Services	295	0	295
Basic Utility Services	2,545	0	2,545
Transportation	0	11,788	11,788
General Government	10,262	0	10,262
Capital Outlay	5,003	0	5,003
	<u>21,903</u>	<u>11,788</u>	<u>33,691</u>
Total Cash Receipts Over/(Under) Cash Disbursements	3,478	(4,766)	(1,288)
Fund Cash Balances, January 1, 1998	<u>26,546</u>	<u>20,562</u>	<u>47,108</u>
Fund Cash Balances, December 31, 1998	<u>\$30,024</u>	<u>\$15,796</u>	<u>\$45,820</u>

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

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Chatfield, Crawford County, Ohio, (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 and the Village Mayor. The Village provides general governmental services.

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 paid 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 maintains an interest-bearing checking account and a certificate of deposit. The certificate of deposit is valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are 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 to be accounted for in another fund.

2. Special Revenue Fund

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 Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting, nor certify that funds were available prior to expending funds. The Village determined that there were no unrecorded outstanding encumbrances at year end.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Deposits	\$ 36,812	\$ 37,820
Certificates of deposit	<u>8,000</u>	<u>8,000</u>
Total deposits	<u>\$ 44,812</u>	<u>\$ 45,820</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,960	\$ 17,609	\$ 1,649
Special Revenue	6,580	6,553	(27)
Total	<u>\$ 22,540</u>	<u>\$ 24,162</u>	<u>\$ 1,622</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 43,000	\$ 23,357	\$ 19,643
Special Revenue	21,100	1,813	19,287
Total	<u>\$ 64,100</u>	<u>\$ 25,170</u>	<u>\$ 38,930</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 19,770	\$ 25,381	\$ 5,611
Special Revenue	10,600	7,022	(3,578)
Total	<u>\$ 30,370</u>	<u>\$ 32,403</u>	<u>\$ 2,033</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 29,800	\$ 21,903	\$ 7,897
Special Revenue	28,500	11,788	16,712
Total	<u>\$ 58,300</u>	<u>\$ 33,691</u>	<u>\$ 24,609</u>

**VILLAGE OF CHATFIELD
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. PROPERTY TAX

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

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.

5. RETIREMENT SYSTEMS

The Village Council and the Clerk/Treasurer have Social Security withheld from their compensation. The Village's liability is 6.2 percent of wages paid.

The Village Solicitor belongs 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. In 1999 and 1998, the Solicitor contributed 8.5% of his gross salaries. The Village contributed an amount equal to 13.55% of his gross salaries. The Village has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles



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

Village of Chatfield
Crawford County
P.O. Box 102
Chatfield, Ohio 44825

To the Village Council:

We have audited the accompanying financial statements of the Village of Chatfield, Crawford County, Ohio, (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 6, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-30517-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 6, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 6, 2000.

Village of Chatfield
Crawford County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

June 6, 2000

VILLAGE OF CHATFIELD
CRAWFORD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998

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

FINDING NUMBER 1999-30517-001

Certification by Fiscal Officer

Ohio Rev. Code Section 5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrance.

The Village expended funds without obtaining certification from the Clerk/Treasurer in 100% of the non-payroll expenditure transactions tested in 1998 and 1999. The same noncompliance citation was reported in the prior audit.

We recommend the Clerk/Treasurer certify all expenditures prior to the purchase of goods and services.



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VILLAGE OF CHATFIELD

CRAWFORD 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
JULY 6, 2000**