



**CHESTERFIELD TOWNSHIP  
FULTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CHESTERFIELD TOWNSHIP  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Chesterfield Township  
Fulton County  
15450 County Road 16-3  
Fayette, Ohio 43521-9737

To the Board of Trustees:

We have audited the accompanying financial statements of Chesterfield Township, Fulton County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 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 Township 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 Township as of December 31, 1999 and 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 May 23, 2000 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees, 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.

**Jim Petro**  
Auditor of State

May 23, 2000

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$15,285	\$55,803			\$71,088
Intergovernmental	63,919	73,411			137,330
Earnings on Investments	1,545	552	\$1,104	\$1,416	4,617
Total Cash Receipts	<u>80,749</u>	<u>129,766</u>	<u>1,104</u>	<u>1,416</u>	<u>213,035</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	43,053	698			43,751
Public Safety		16,186			16,186
Public Works		109,315			109,315
Health	1,672	50			1,722
Miscellaneous				710	710
Capital Outlay	4,720		40,200	350	45,270
Total Cash Disbursements	<u>49,445</u>	<u>126,249</u>	<u>40,200</u>	<u>1,060</u>	<u>216,954</u>
Total Receipts Over/(Under) Disbursements	<u>31,304</u>	<u>3,517</u>	<u>(39,096)</u>	<u>356</u>	<u>(3,919)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			16,629		16,629
Transfers-Out	(16,629)				(16,629)
Other Sources	100				100
Total Other Financing Receipts/(Disbursements)	<u>(16,529)</u>		<u>16,629</u>		<u>100</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,775	3,517	(22,467)	356	(3,819)
Fund Cash Balances, January 1	11,158	54,906	22,467	34,006	122,537
<b>Fund Cash Balances, December 31</b>	<b><u>\$25,933</u></b>	<b><u>\$58,423</u></b>	<b><u>\$34,362</u></b>	<b><u>\$118,718</u></b>	

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

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$15,121	\$55,096			\$70,217
Intergovernmental	30,589	71,151			101,740
Licenses, Permits, and Fees		75			75
Earnings on Investments	1,608	301	\$1,153	\$1,440	4,502
Total Cash Receipts	<u>47,318</u>	<u>126,623</u>	<u>1,153</u>	<u>1,440</u>	<u>176,534</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	51,418	695			52,113
Public Safety		15,908			15,908
Public Works		102,576			102,576
Health	1,935	100			2,035
Miscellaneous				823	823
Capital Outlay	200	9,682		100	9,982
Total Cash Disbursements	<u>53,553</u>	<u>128,961</u>		<u>923</u>	<u>183,437</u>
Total Receipts Over/(Under) Disbursements	<u>(6,235)</u>	<u>(2,338)</u>	<u>1,153</u>	<u>517</u>	<u>(6,903)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			583		583
Transfers-Out	(583)				(583)
Other Sources	1,630				1,630
Total Other Financing Receipts/(Disbursements)	<u>1,047</u>		<u>583</u>		<u>1,630</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,188)	(2,338)	1,736	517	(5,273)
Fund Cash Balances, January 1	16,346	57,244	20,731	33,489	127,810
<b>Fund Cash Balances, December 31</b>	<b><u>\$11,158</u></b>	<b><u>\$54,906</u></b>	<b><u>\$22,467</u></b>	<b><u>\$34,006</u></b>	<b><u>\$122,537</u></b>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Chesterfield Township, Fulton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, and cemetery maintenance. The Township contracts with the City of Morenci to provide fire and ambulance services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

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

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Permanent Improvement Fund - This fund was used to account for the acquisition of a new tractor.

**4. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Jones Hawley Bequest Fund - This fund is to account for interest received from the Jones Hawley nonexpendable trust for the maintenance and repair of the cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. The County Budget Commission must also approve the annual appropriation measure.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

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

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$86,079	\$68,854
Certificates of deposit	3,616	3,616
Total deposits	<u>89,695</u>	<u>72,470</u>
 STAR Ohio	<u>29,023</u>	<u>50,067</u>
Total deposits and investments	<u>\$118,718</u>	<u>\$122,537</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.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$44,655	\$80,849	\$36,194
Special Revenue	125,813	129,766	3,953
Capital Projects	1,200	17,733	16,533
Fiduciary	1,313	1,416	103
Total	<u>\$172,981</u>	<u>\$229,764</u>	<u>\$56,783</u>

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

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$79,608	\$66,074	\$13,534
Special Revenue	180,587	126,249	54,338
Capital Projects	40,200	40,200	
Fiduciary	1,600	1,060	540
Total	<u>\$301,995</u>	<u>\$233,583</u>	<u>\$68,412</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,207	\$48,948	(\$5,259)
Special Revenue	131,041	126,623	(4,418)
Capital Projects	1,658	1,736	78
Fiduciary	1,324	1,440	116
Total	<u>\$188,230</u>	<u>\$178,747</u>	<u>(\$9,483)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,125	\$54,136	\$3,989
Special Revenue	170,688	128,961	41,727
Fiduciary	1,300	923	377
Total	<u>\$230,113</u>	<u>\$184,020</u>	<u>\$46,093</u>

In 1999, appropriations exceeded estimated revenue in the General Fund and the Capital Projects Fund.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the 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.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Government Risk Management Plan (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Chesterfield Township  
Fulton County  
15450 County Road 16-3  
Fayette, Ohio 43521-9737

To the Board of Trustees:

We have audited the accompanying financial statements of Chesterfield Township, Fulton County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 23, 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 Township'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 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 1999-40126-001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Township'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 a matter involving the internal control over financial reporting that did not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 23, 2000.

Chesterfield Township  
Fulton County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

May 23, 2000

**CHESTERFIELD TOWNSHIP  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-40126-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The Township did not request an update to the amended certificate from the county auditor during the year. This resulted in the following funds appropriations exceeding estimated revenue:

General Fund	\$23,795
Capital Projects Fund	\$16,533

We recommend that when actual revenues exceed or do not meet estimated revenue an amended certificate be obtained from the county auditor and the necessary modifications be made to the appropriations.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CHESTERFIELD TOWNSHIP**

**FULTON 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  
JUNE 8, 2000**