



**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CHATFIELD TOWNSHIP
CRAWFORD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Chatfield Township
Crawford County
3433 New Washington Road
Bloomville, Ohio 44818

To the Board of Trustees:

We have audited the accompanying financial statements of Chatfield Township, Crawford County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the 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 and reserves for encumbrances of the Township as of December 31, 2000 and December 31, 1999, 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 March 13, 2001 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. 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 audit committee, 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

March 13, 2001

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**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$13,930	\$19,900	\$0	\$33,830
Intergovernmental	23,421	66,602	13,500	103,523
Earnings on Investments	2,528	825	0	3,353
Total Cash Receipts	<u>39,879</u>	<u>87,327</u>	<u>13,500</u>	<u>140,706</u>
Cash Disbursements:				
Current:				
General Government	41,759	0	0	41,759
Public Safety	0	10,739	0	10,739
Public Works	296	102,451	0	102,747
Health	2,463	0	0	2,463
Capital Outlay	10,000	0	13,500	23,500
Total Cash Disbursements	<u>54,518</u>	<u>113,190</u>	<u>13,500</u>	<u>181,208</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(14,639)</u>	<u>(25,863)</u>	<u>0</u>	<u>(40,502)</u>
Other Financing Receipts:				
Proceeds of Notes	0	26,800	0	26,800
Sale of Fixed Assets	0	5,000	0	5,000
Total Other Financing Receipts	<u>0</u>	<u>31,800</u>	<u>0</u>	<u>31,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>(14,639)</u>	<u>5,937</u>	<u>0</u>	<u>(8,702)</u>
Fund Cash Balances, January 1, 2000	<u>44,652</u>	<u>26,733</u>	<u>0</u>	<u>71,385</u>
Fund Cash Balances, December 31, 2000	<u><u>\$30,013</u></u>	<u><u>\$32,670</u></u>	<u><u>\$0</u></u>	<u><u>\$62,683</u></u>
Reserve for Encumbrances, December 31, 2000	<u><u>\$0</u></u>	<u><u>\$250</u></u>	<u><u>\$0</u></u>	<u><u>\$250</u></u>

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

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$13,949	\$18,609	\$32,558
Intergovernmental	28,025	65,998	94,023
Earnings on Investments	2,132	790	2,922
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	44,106	85,397	129,503
Cash Disbursements:			
Current:			
General Government	36,688	0	36,688
Public Safety	88	9,919	10,007
Public Works	0	72,984	72,984
Health	2,174	0	2,174
Capital Outlay	0	7,537	7,537
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	38,950	90,440	129,390
Total Cash Receipts Over/(Under) Cash Disbursements	5,156	(5,043)	113
Fund Cash Balances, January 1, 1999	39,496	31,776	71,272
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 1999	<u>\$44,652</u>	<u>\$26,733</u>	<u>\$71,385</u>
Reserve for Encumbrances, December 31, 1999	<u>\$100</u>	<u>\$75</u>	<u>\$175</u>

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

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Chatfield Township, Crawford County, Ohio, (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, fire protection and emergency medical 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

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.

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:

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 for road construction and repair.

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund

This fund is 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 capital projects fund:

Issue II Fund - The Township received a grant from the State of Ohio for a joint road repair project.

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. Unencumbered appropriations lapse at year end.

2. 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 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 carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

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

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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>2000</u>	<u>1999</u>
Deposits	\$27,105	\$32,213
STAR Ohio	35,578	39,172
Total deposits and investments	<u>\$62,683</u>	<u>\$71,385</u>

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

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 ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$36,639	\$39,879	\$3,240
Special Revenue	116,179	119,127	2,948
Capital Projects	0	13,500	13,500
Total	<u>\$152,818</u>	<u>\$172,506</u>	<u>\$19,688</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$62,265	\$54,518	\$7,747
Special Revenue	142,609	113,440	29,169
Capital Projects	0	13,500	(13,500)
Total	<u>\$204,874</u>	<u>\$181,458</u>	<u>\$23,416</u>

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$30,793	\$44,106	\$13,313
Special Revenue	81,472	85,397	3,925
Total	<u>\$112,265</u>	<u>\$129,503</u>	<u>\$17,238</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$44,405	\$39,050	\$5,355
Special Revenue	109,752	90,515	19,237
Total	<u>\$154,157</u>	<u>\$129,565</u>	<u>\$24,592</u>

4. PROPERTY TAX

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

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Truck Loan	\$26,885	5.94%

The loan is secured by the truck which was purchased by the Township for road maintenance.

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

<u>Year ending December 31:</u>	<u>Amount</u>
2001	\$6,372
2002	6,372
2003	6,372
2004	6,372
2005	<u>6,372</u>
Total	<u><u>\$31,860</u></u>

6. RETIREMENT SYSTEMS

Township officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township 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

Chatfield Township
Crawford County
3433 New Washington Road
Bloomville, Ohio 44818

To the Board of Trustees:

We have audited the accompanying financial statements of Chatfield Township, Crawford County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 13, 2001. We conducted our audit 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 audit 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 2000-40517-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 13, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Chatfield Township
Crawford 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 the audit committee, 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

March 13, 2001

**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-40517-001

Noncompliance Citation

Ohio Rev. Code Sections 4115.04 and 4115.05 require an entity to obtain the prevailing wages in their area for the types of labor required to complete the project they are going to bid before such project is bid and again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined. They then need to make sure the contractors who are awarded the contract agree, in the contract, to pay the prevailing wages.

The Township did not require the contractor to agree to pay prevailing wages for the 2000 and 1999 road projects. The contracts for these projects approximated \$57,675 and were paid out of Special Revenue funds.

We recommend the Township require contractors to agree to pay prevailing wages for contracts involving labor.



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OFFICE OF THE AUDITOR

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CHATFIELD TOWNSHIP

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
APRIL 10, 2001**