

**VILLAGE OF CHESTERVILLE  
MORROW COUNTY, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND 2000**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
*12 East Main Street*  
*Lexington, Ohio 44904*



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Village of Chesterville  
75 Sandusky Street, P.O. Box 13  
Chesterville, Ohio 43317

We have reviewed the Independent Auditor's Report of the Village of Chesterville, Morrow County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period January 1, 1999 through December 31, 2000. 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. The Village of Chesterville is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

April 9, 2001

**VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY**

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 2000

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**VILLAGE OF CHESTERVILLE  
MORROW COUNTY**

75 Sandusky Street P.O. Box 13  
Chesterville, Ohio 43317

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2000**

<b>NAME</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>	<b>SURETY</b>	<b>AMOUNT</b>	<b>PERIOD</b>
Jerry Bloomfield 3876 South St. Chesterville, OH	Mayor	1/1/00 - 12/31/04			
Martha J. Taylor	Council Member	1/1/00 - 12/31/04			
Richard Good	Council Member	1/1/98 - 12/31/01			
Mark Hoskey	Council Member	1/1/98 - 12/31/01			
Michael Tanner	Council Member	1/1/00 - 12/31/04			
Dolores Shutt	Council Member	appt - 12/31/01			
Tonda Hockenberry	Council Member	appt - 12/31/01			
Ellie Good	Clerk/Treasurer	4/1/00 - 4/1/04	(A)	\$ 5,000	(B)

Statutory Legal Counsel

Donald K. Wick, Attorney at Law  
23 E. High St. P.O. Box 15  
Mt. Gilead, Ohio 43338

(A) Ohio Farmers Insurance Co.  
(B) Concurrent With Term

# J. E. SLAYBAUGH & ASSOCIATES, INC.

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Lexington, Ohio 44904

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Certified Public Accountant

Village Council  
Village of Chesterville, Morrow County  
75 Sandusky St. P.O. Box 13  
Chesterville, Ohio 43317

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Village of Chesterville, Morrow County, Ohio, as of and for the years ended December 31, 1999 and 2000. 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 audit.

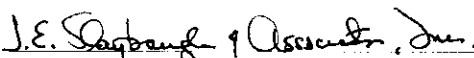
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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 described 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 Village of Chesterville, Morrow County, Ohio, as of December 31, 1999 and 2000, 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 February 28, 2001 on our consideration of the Village's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management and other 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.



J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
February 28, 2001

VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENT FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 2000

	Governmental		Memorandum Only)
	General	Special Revenue	
<b>CASH RECEIPTS:</b>			
Local Taxes	\$ 8,357	\$ 2,870	\$ 11,227
Intergovernmental	21,214	4,073	25,287
Special Assessments	1,020		1,020
Fines, Licences, Permits	533		533
Interest	1,870	178	2,048
Miscellaneous	337		337
Total Cash Receipts	<u>33,331</u>	<u>7,121</u>	<u>40,452</u>
<b>CASH DISBURSEMENTS:</b>			
Current:			
Security of Persons and Property	2,612		2,612
Public Health Services	2,414		2,414
Leisure Time Activities	2,811		2,811
Community Environment	3,945		3,945
Transportation		1,532	1,532
General Government	30,408		30,408
Capital Outlay	12,623		12,623
Total Program Disbursements	<u>54,813</u>	<u>1,532</u>	<u>56,345</u>
Total receipts over/(under) program disbursements	(21,482)	5,589	(15,893)
Other Financing Sources(Uses)			
Other Sources	-	-	-
Contingencies	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Total of Receipts and Other Sources Over(Under) Disbursements and Other Uses	(21,482)	5,589	(15,893)
Fund Cash Balances - January 1, 2000	70,240	21,669	91,909
Fund Cash Balances - December 31, 2000	<u>\$ 48,758</u>	<u>\$ 27,258</u>	<u>\$ 76,016</u>

VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
ALL PROPRIETARY FUND TYPES - FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise	Proprietary	Memorandum Only)
	<u>Enterprise</u>	<u>Proprietary</u>	<u>Total</u>
<b>OPERATING RECEIPTS:</b>			
Total Operating Receipts	-		-
<b>OPERATING DISBURSEMENTS:</b>			
Current:			
Contractual Services	<u>47,520</u>		<u>47,520</u>
Total Operating Disbursements	<u>47,520</u>		<u>47,520</u>
Non-Operating Receipts and Disbursements			
Other Financing Sources	<u>48,270</u>		<u>48,270</u>
Total Other Non-Operating Receipts and Disbursements	<u>48,270</u>		<u>48,270</u>
Net Income	\$ 750		\$ 750
Fund Cash Balances - January 1, 2000	-		-
Fund Cash Balances - December 31, 2000	<u>\$ 750</u>		<u>\$ 750</u>

VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY

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

	Governmental		Memorandum Only)
	General	Special Revenue	
<b>CASH RECEIPTS:</b>			
Local Taxes	\$ 6,585	\$ 2,775	\$ 9,360
Intergovernmental	15,693	3,929	19,622
Special Assessments	1,342		1,342
Fines, Licences, Permits	544		544
Interest	1,856	212	2,068
Miscellaneous	622		622
Total Cash Receipts	26,642	6,916	33,558
<b>CASH DISBURSEMENTS:</b>			
Current:			
Security of Persons and Property	2,802		2,802
Public Health Services	2,227		2,227
Leisure Time Activities	347		347
Community Environment	-	35	35
Transportation		1,399	1,399
General Government	20,404		20,404
Capital Outlay	6,973		6,973
Total Program Disbursements	32,753	1,434	34,187
Total receipts over/(under) program disbursements	(6,111)	5,482	(629)
Other Financing Sources(Uses)			
Other Sources	8,690	-	8,690
Contingencies	(8,000)	-	(8,000)
Total Other Financing Sources (Uses)	690	-	690
Total of Receipts and Other Sources Over(Under) Disbursements and Other Uses	(5,421)	5,482	61
Fund Cash Balances - January 1, 1999	75,661	16,187	91,848
Fund Cash Balances - December 31, 1999	\$ 70,240	\$ 21,669	\$ 91,909



VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY

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

	Enterprise	Proprietary	(Memorandum Only)	Total
<b>OPERATING RECEIPTS:</b>				
Total Operating Receipts	-			-
<b>OPERATING DISBURSEMENTS:</b>				
Current:				
Contractual Services	<u>144,707</u>			<u>144,707</u>
Total Operating Disbursements	<u>144,707</u>			<u>144,707</u>
Non-Operating Receipts and Disbursements				
Other Financing Sources	<u>144,707</u>			<u>144,707</u>
Total Other Non-Operating Receipts and Disbursements	<u>144,707</u>			<u>144,707</u>
Net Income	\$ -			\$ -
Fund Cash Balances - January 1, 1999	-			-
Fund Cash Balances - December 31, 1999	<u>\$ -</u>			<u>\$ -</u>

**VILLAGE OF CHESTERVILLE, OHIO  
MORROW COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Village of Chesterville, Morrow County 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 mayor and six member council. The Village provides general governmental services. The Village contracts with the Morrow County Sheriff's Department to provide security of persons and property.

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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

These statements make 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.

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:

General Fund

The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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 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.

Fire Fund - This fund receives general and tangible personal property tax money for the operation of the Village fire department. This fund also receives contractual service money for providing fire protection for participating townships.

D. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise funds:

Utility Improvement Fund - Received loan proceeds from the Ohio Water Development Authority to fund utility plant construction.

E. 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 Village 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.

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.

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 investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at the years ended December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 51,240	\$ 67,550
Certificates of Deposit	<u>25,526</u>	<u>24,359</u>
Total deposits	<u>\$ 76,766</u>	<u>\$ 91,909</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.

3. Budgetary Activity

Budgetary activity for the years ending December 31 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 411,110	\$ 33,331	\$ (377,779)
Special Revenue	-	7,121	7,121
Enterprise	-	<u>48,270</u>	<u>48,270</u>
Total	<u>\$ 411,110</u>	<u>\$ 88,722</u>	<u>\$ (322,388)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 77,570	\$ 54,813	\$ 22,757
Special Revenue	13,004	1,532	11,472
Enterprise	<u>107,399</u>	<u>47,520</u>	<u>59,879</u>
Total	<u>\$ 197,973</u>	<u>\$ 103,865</u>	<u>\$ 94,108</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 130,062	\$ 35,332	\$ (94,730)
Special Revenue	-	6,916	6,916
Enterprise	<u>-</u>	<u>144,707</u>	<u>144,707</u>
Total	<u>\$ 130,062</u>	<u>\$ 186,955</u>	<u>\$ 56,893</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 65,945	\$ 40,753	\$ 25,192
Special Revenue	14,750	1,434	13,316
Enterprise	<u>260,105</u>	<u>144,707</u>	<u>115,398</u>
Total	<u>\$ 340,800</u>	<u>\$ 186,894</u>	<u>\$153,906</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 is due the following June 20.

Public utilities are also taxed on personal property located within the Village.

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. Debt

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Installment Loan	\$ 29,978	7.10%
OWDA Note	<u>350,000</u>	5.86%
Total	<u>\$ 379,978</u>	

The Ohio Water Development Authority (OWDA) loan relates to sewer plant construction project. The OWDA has approved a loan for up to \$350,000 to the Village for this project. This loan includes the initial loan of \$15,000 from the OWDA for the project planning. The repayment schedule will determined upon completion of the project by the OWDA.

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

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Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village Council  
Village of Chesterville, Morrow County  
75 Sandusky St. P.O. Box 13  
Chesterville, Ohio 43317

We have audited the financial statements of Village of Chesterville, Morrow County, as of and for the years ended December 31, 1999 and 2000, and have issued our report thereon dated February 28, 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.

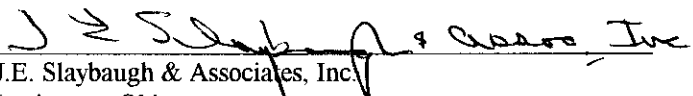
Compliance

As part of obtaining reasonable assurance about whether Village of Chesterville's financial statements are free of material misstatement, we performed tests of its compliance with certain laws and regulations, 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 Standards*.

Internal Control

In planning and performing our audit, we considered Village of Chesterville'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 structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and other 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.

  
J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
February 28, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF CHESTERVILLE**

**MORROW 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 17, 2001**