



**Mary Taylor, CPA**  
Auditor of State



**CHESTER TOWNSHIP  
GEAUGA COUNTY**

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**CHESTER TOWNSHIP  
GEAUGA COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Chester Township  
Geauga County  
12701 Chillicothe Road  
Chesterland, Ohio 44026

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chester Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

As described in Note 3 for the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chester Township, Geauga County, Ohio, as of December 31, 2006 and December 31, 2005 and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Police Department, Fire Department funds for 2006 and General, Motor Vehicle License, Gasoline Tax, Road and Bridge, Cemetery, Police Department, Fire Department, and Fire and Rescue and Ambulance and EMS Service funds for 2005 thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2008, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

March 27, 2008

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

This discussion and analysis of Chester Township's financial performance provides an overview of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2006 and 2005 are as follows:

Net assets of governmental activities increased \$1,087,188, or 51.0 percent in 2006, a significant change from the prior year. Net assets of governmental activities increased \$732,306, or 52.4 percent in 2005, a significant change from the prior year. The funds most affected by the 2006 increase in cash and cash equivalents were the General, Fire, and Police Funds with significant decreases in Road and Bridge Funds. The funds most affected by the 2005 increase in cash and cash equivalents were the General, Fire, Police, and Ambulance & EMS Funds with a significant decrease in Gasoline Tax Fund.

The Township's general receipts are primarily property taxes. These receipts represent \$3,950,942 or 69.6 percent in 2006 and \$3,678,496 or 63.1 percent in 2005 of the total cash received for governmental activities during the year. Property tax receipts for 2006 increased 7.4 percent.

\$164,723 was received in inheritance tax in 2006 and \$253,069 was received in 2005.

\$157,430 was received in earnings on investments in 2006 and \$71,661 was received in 2005. The Township utilizes STAR Ohio and a mutual fund (sweep account) with its bank, Key Bank, to generate these funds.

In 2006 and 2005, voters approved only renewal levies. No additional levies were put before the voters.

In 2005, the Township instituted Ambulance & EMS billing program. In its initial year it generated \$76,318 and in 2006 it generated \$185,667. These funds are kept in a separate checking account and can only be used to pay for Ambulance & EMS related expenditures.

In 2006, the Trustees approved by a two to one vote to pay EA Group, Inc. for construction oversight for the asbestos removal portion of the demolition of the Old Chester School.

On September 1, 2006, the Township incorporated the services formerly preformed by the Chesterland Fire Rescue, Inc. into a Township Fire Department. For 2006, the Township made no payments to the Chesterland Fire Rescue, Inc. The carryover funds from the prior year were utilized for expenditures until the operation ceased. The remaining funds were deposited into the Fire Fund and were insignificant. The Fire Fund increased it's carryover to 2007 by a significant figure because of the reduced expenditures from the Fire Fund during 2006.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.



**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

In the statement of net assets and the statement of activities, the Township consists of one type of activity:

**Governmental activities** - The Township's basic services are reported here, including police, fire, and streets. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental.

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2006 are the General, Road and Bridge, Police, and Fire. The Township's major governmental funds for 2005 are the General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, Cemetery, Police, Fire, and Fire and RSC Ambulance EMS Service. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis. This is the first time the Township has presented their financial statements in the GASB 34 format. In future years, a comparison to the prior year will be shown.

(Table 1)  
**Net Assets**

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Cash and Cash Equivalents	<u>\$ 3,217,216</u>	<u>\$ 2,130,028</u>
<b>Total Assets</b>	<b><u>\$ 3,217,216</u></b>	<b><u>\$ 2,130,028</u></b>
<b>Net Assets</b>		
Restricted for:		
Capital Project	\$ 8,883	\$ 8,883
Other Purposes	1,956,686	1,193,381
Unrestricted	<u>1,251,647</u>	<u>927,764</u>
<b>Total Net Assets</b>	<b><u>\$ 3,217,216</u></b>	<b><u>\$ 2,130,028</u></b>

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

As mentioned previously, net assets of governmental activities increased \$1,087,188 or 51.0 percent and \$732,306 or 52.4% during 2006 and 2005, respectively. The primary reasons contributing to the increases in cash balances are as follows:

- Significant Inheritance receipts in both 2006 and 2005.
- Significant Earnings on Investments in both 2006 and 2005.
- Increase in Property Tax Receipts of 7.4% for 2006 as a result of an increase in inside millage revenue.
- Institution of Ambulance and EMS Billing program in 2005 and the significant increase in 2006.
- The Board of Trustees and Department Heads being very diligent in watching spending on Township projects.
- The Township incorporating the Chesterland Fire Rescue, Inc. into Chester Township Fire Department during 2006 and thus utilizing the Corporations carryover balance for regular expenditures during 2006.

Table 2 reflects the changes in net assets in 2006 and 2005. This is the first time the Township has presented their financial statements in the GASB 34 format. In future years, a comparison to the prior year will be shown.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities	
	2006	2005
Program Receipts:		
Charges for Services and Sales	\$ 323,276	\$ 349,308
Operating Grants & Contributions	<u>171,963</u>	<u>135,954</u>
Total Program Receipts	<u>495,239</u>	<u>485,262</u>
General Receipts:		
Property and Other Local Taxes	3,950,942	3,678,496
Grants and Entitlements Not Restricted to Specific Programs	887,285	1,039,798
Sale of Bonds	0	126,000
Sale of Notes	0	185,000
Other Debt Proceeds	89,666	192,462
Earnings on Investments	157,430	71,661
Miscellaneous	<u>93,116</u>	<u>50,623</u>
Total General Receipts	<u>5,178,439</u>	<u>5,344,040</u>
Disbursements:		
General Government	484,337	643,200
Public Safety	1,926,839	2,272,128
Public Works	1,647,946	1,409,467
Health	12,642	11,329
Conservation-Recreation	33,505	2,895
Capital Outlay	388,060	468,376
Other	4,383	17,664
Debt Services & Special Assessments	<u>88,778</u>	<u>271,937</u>
Total Disbursements	<u>4,586,490</u>	<u>5,096,996</u>
Increase (Decrease) in Net Assets	1,087,188	732,306
Net Assets Beginning of Year	<u>2,130,028</u>	<u>1,397,722</u>
Net Assets End of Year	<u>\$ 3,217,216</u>	<u>\$ 2,130,028</u>

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

Program receipts represent only 8.7 percent of total receipts during 2006 and 8.3 percent of total receipts during 2005. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, and charges for ambulance and EMS.

General receipts represent 91.3 percent in 2006 and 91.7 percent in 2005 of the Township's total receipts, and of this amount, 69.6 percent in 2006 and 63.1 percent in 2005 are property taxes. State and federal grants and entitlements make up 15.6 percent in 2006 and 17.8 percent in 2005 of the Township's total receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, Fiscal Officer, and other general activities, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Public Safety are costs associated with police and fire protection and emergency services. Public Works are costs associated with maintaining Township roads.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety, which account for 42.0 percent in 2006 and 44.6 percent in 2005 of all governmental disbursements. General government also represents a significant cost, 10.6 percent in 2006 and 12.6 percent in 2005. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
General Government	\$ 484,337	\$ 467,669	\$ 643,200	\$ 561,487
Public Safety	1,926,839	1,741,172	2,272,128	2,195,810
Public Works	1,647,946	1,386,317	1,409,467	1,129,106
Health	12,642	7,967	11,329	2,429
Conservation-Recreation	33,505	33,505	2,895	2,895
Other	4,383	(22,217)	17,664	(20,306)
Capital Outlay	388,060	388,060	468,376	468,376
Debt Service	<u>88,778</u>	<u>88,778</u>	<u>271,937</u>	<u>271,937</u>
Total Expenses	<u>\$ 4,586,490</u>	<u>\$ 4,091,250</u>	<u>\$ 5,096,996</u>	<u>\$ 4,611,734</u>

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

The dependence upon property tax receipts is apparent as over 69.6 percent in 2006 and 63.1 percent in 2005 of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$5,673,678 in 2006 and \$5,325,840 in 2005 and disbursements of \$4,582,107 in 2006 and \$5,079,332 in 2005. The greatest change for 2006 and 2005 within governmental funds occurred within the General, Police, and Fire Funds. The fund balance of the Road and Bridge Fund in 2006 decreased \$78,311 due to an increase in costs of expenditures for road materials and the purchase of road equipment and vehicles. The fund balance of the Police Fund in 2006 and 2005 increased \$238,167 and \$ 224,874, respectively. The fund balance of the Fire Fund increased \$552,138 in 2006 due to the Township converting the Chester Fire Rescue, Inc. into a Township Department and utilized the carryover from the Corporation for expenditures for 2006.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2006, the Township amended its General Fund budget when necessary to reflect changing circumstances, thus increasing the budget for expenditures by \$ 112,891. The difference between final budgeted receipts and actual receipts was \$236,603 due to conservative estimates of estate/inheritance taxes and interest receipts, since these can be unpredictable sources of revenue.

During 2006, General Fund final disbursements were budgeted at \$1,377,490 while actual disbursements were \$895,849. General Government and Capital Outlay was most of the difference. Final actual disbursements decreased \$368,750 or 29.2 percent from the original budgeted disbursements.

During 2005, the Township amended its General Fund budget when necessary to reflect changing circumstances.

During 2005, General Fund final actual disbursements were at \$715,902. General Government is most of the difference.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure.

**Debt**

At December 31, 2006 and 2005, the Government's outstanding debt included \$457,224 and \$522,192, respectively in general obligation bonds issued for infrastructure. For further information regarding the Government's debt, refer to Note 11 to the basic financial statements.

**Chester Township, Geauga County**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. As indicated in the preceding financial information, the Township relies heavily on local taxes and intergovernmental receipts to operate at the current level of services.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Karen M. N. Austin, CPA, Fiscal Officer, Chester Township, Geauga County, 12701 Chillicothe Rd., Chesterland, Ohio 44026, telephone 440-729-7058 or visit the Township's website at [www.chestertwp.net](http://www.chestertwp.net).

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**Chester Township**  
**Geauga County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$3,120,302
Cash in Segregated Accounts	<u>96,914</u>
<i>Total Assets</i>	<u><u>\$3,217,216</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$8,883
Other Purposes	1,956,686
Unrestricted	<u>1,251,647</u>
<i>Total Net Assets</i>	<u><u>\$3,217,216</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
<b>Governmental Activities</b>				
General Government	\$484,337	\$16,668		(\$467,669)
Public Safety	1,926,839	185,667		(1,741,172)
Public Works	1,647,946	89,666	\$171,963	(1,386,317)
Health	12,642	4,675		(7,967)
Conservation-Recreation	33,505			(33,505)
Other	4,383	26,600		22,217
Capital Outlay	388,060			(388,060)
Debt Service:				
Principal Retirement	64,905			(64,905)
Interest and Fiscal Charges	23,873			(23,873)
<i>Total Governmental Activities</i>	<u>\$4,586,490</u>	<u>\$323,276</u>	<u>\$171,963</u>	(4,091,251)
<b>General Receipts</b>				
Property Taxes				3,950,942
Grants and Entitlements not Restricted to Specific Programs				887,285
Other Debt Proceeds				89,666
Interest				157,430
Miscellaneous				93,116
<i>Total General Receipts</i>				5,178,439
Change in Net Assets				1,087,188
<i>Net Assets Beginning of Year</i>				<u>2,130,028</u>
<i>Net Assets End of Year</i>				<u>\$3,217,216</u>



**Chester Township**  
**Geauga County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Road and Bridge	Police Department	Fire Department	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$1,251,647	\$231,421	\$809,666	\$701,069	\$126,499	\$3,120,302
Cash in Segregated Accounts					96,914	96,914
<i>Total Assets</i>	<u>\$1,251,647</u>	<u>\$231,421</u>	<u>\$809,666</u>	<u>\$701,069</u>	<u>\$223,413</u>	<u>\$3,217,216</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	\$199,289	\$40,925	\$9,570	\$4,555	\$3,545	\$257,884
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	1,052,358					1,052,358
Special Revenue Funds		190,496	800,096	696,514	210,985	1,898,091
Capital Projects Funds					8,883	8,883
<i>Total Fund Balances</i>	<u>\$1,251,647</u>	<u>\$231,421</u>	<u>\$809,666</u>	<u>\$701,069</u>	<u>\$223,413</u>	<u>\$3,217,216</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

	General	Road and Bridge	Police Department	Fire Department	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$323,762	\$1,317,783	\$1,427,430	\$881,967		\$3,950,942
Charges for Services					185,667	185,667
Licenses, Permits and Fees	63,770				4,600	68,370
Fines and Forfeitures	32,236					32,236
Intergovernmental	424,890	184,395	199,033	122,064	171,963	1,102,345
Special Assessments					89,666	89,666
Interest	142,969				14,461	157,430
Other	37,200	11,155	27,858	4,620	6,189	87,022
<i>Total Receipts</i>	<u>1,024,827</u>	<u>1,513,333</u>	<u>1,654,321</u>	<u>1,008,651</u>	<u>472,546</u>	<u>5,673,678</u>
<b>Disbursements</b>						
Current:						
General Government	484,337					484,337
Public Safety			1,342,664	454,483	129,692	1,926,839
Public Works	21,815	1,442,637			183,494	1,647,946
Health	21				12,621	12,642
Conservation-Recreation	33,505					33,505
Capital Outlay	156,883	149,007	73,490	2,030	6,650	388,060
Debt Service:						
Principal Retirement					64,905	64,905
Interest and Fiscal Charges					23,873	23,873
<i>Total Disbursements</i>	<u>696,561</u>	<u>1,591,644</u>	<u>1,416,154</u>	<u>456,513</u>	<u>421,235</u>	<u>4,582,107</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>328,266</u>	<u>(78,311)</u>	<u>238,167</u>	<u>552,138</u>	<u>51,311</u>	<u>1,091,571</u>
<b>Other Financing Sources (Uses)</b>						
Advances In	150,000	150,000				300,000
Advances Out	(150,000)	(150,000)				(300,000)
Other Financing Uses	(4,383)					(4,383)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,383)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,383)</u>
<i>Net Change in Fund Balances</i>	<u>323,883</u>	<u>(78,311)</u>	<u>238,167</u>	<u>552,138</u>	<u>51,311</u>	<u>1,087,188</u>
<i>Fund Balances Beginning of Year</i>	<u>927,764</u>	<u>309,733</u>	<u>571,499</u>	<u>148,931</u>	<u>172,101</u>	<u>2,130,028</u>
<i>Fund Balances End of Year</i>	<u>\$1,251,647</u>	<u>\$231,422</u>	<u>\$809,666</u>	<u>\$701,069</u>	<u>\$223,412</u>	<u>\$3,217,216</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$321,653	\$321,653	\$323,762	\$2,109
Licenses, Permits and Fees	66,900	66,900	63,770	(3,130)
Fines and Forfeitures	20,000	20,000	32,236	12,236
Intergovernmental	243,671	249,671	424,890	175,219
Interest	20,000	100,000	142,969	42,969
Other	30,000	30,000	37,200	7,200
<i>Total receipts</i>	<u>702,224</u>	<u>788,224</u>	<u>1,024,827</u>	<u>236,603</u>
<b>Disbursements</b>				
Current:				
General Government	612,279	677,520	496,827	180,693
Public Works	23,327	24,328	23,515	813
Health	190	190	21	169
Conservation-Recreation	35,010	35,010	33,507	1,503
Capital Outlay	593,793	640,442	341,979	298,463
<i>Total Disbursements</i>	<u>1,264,599</u>	<u>1,377,490</u>	<u>895,849</u>	<u>481,641</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(562,375)</u>	<u>(589,266)</u>	<u>128,978</u>	<u>718,244</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	150,000	150,000
Advances Out	0	(150,000)	(150,000)	0
Other Financing Uses	(100,000)	(37,109)	(4,383)	32,726
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>(187,109)</u>	<u>(4,383)</u>	<u>182,726</u>
<i>Net Change in Fund Balance</i>	<u>(662,375)</u>	<u>(776,375)</u>	<u>124,595</u>	<u>900,970</u>
<i>Fund Balance Beginning of Year</i>	888,532	888,532	888,532	0
Prior Year Encumbrances Appropriated	39,232	39,232	39,232	0
<i>Fund Balance End of Year</i>	<u>\$265,389</u>	<u>\$151,389</u>	<u>\$1,052,359</u>	<u>\$900,970</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$1,306,561	\$1,306,561	\$1,317,782	\$11,221
Intergovernmental	174,181	174,181	184,395	10,214
Other	0	69,644	11,155	(58,489)
<i>Total receipts</i>	<u>1,480,742</u>	<u>1,550,386</u>	<u>1,513,332</u>	<u>(37,054)</u>
<b>Disbursements</b>				
Current:				
Public Works	1,494,241	1,615,741	1,481,963	133,778
Capital Outlay	148,309	154,355	150,606	3,749
<i>Total Disbursements</i>	<u>1,642,550</u>	<u>1,770,096</u>	<u>1,632,569</u>	<u>137,527</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(161,808)</u>	<u>(219,710)</u>	<u>(119,237)</u>	<u>100,473</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	150,000	150,000
Advances Out	0	0	(150,000)	(150,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(161,808)	(219,710)	(119,237)	100,473
<i>Fund Balance Beginning of Year</i>	202,438	202,438	202,438	0
Prior Year Encumbrances Appropriated	107,295	107,295	107,295	0
<i>Fund Balance End of Year</i>	<u>\$147,925</u>	<u>\$90,023</u>	<u>\$190,496</u>	<u>\$100,473</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Department Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$1,412,963	\$1,412,963	\$1,427,430	\$14,467
Intergovernmental	188,621	188,621	199,033	10,412
Other	0	0	27,858	27,858
<i>Total receipts</i>	<u>1,601,584</u>	<u>1,601,584</u>	<u>1,654,321</u>	<u>52,737</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,534,044	1,522,005	1,352,233	169,772
Capital Outlay	65,752	77,791	73,490	4,301
<i>Total Disbursements</i>	<u>1,599,796</u>	<u>1,599,796</u>	<u>1,425,723</u>	<u>174,073</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,788</u>	<u>1,788</u>	<u>228,598</u>	<u>226,810</u>
<i>Net Change in Fund Balance</i>	1,788	1,788	228,598	226,810
<i>Fund Balance Beginning of Year</i>	514,225	514,225	514,225	0
Prior Year Encumbrances Appropriated	<u>57,273</u>	<u>57,273</u>	<u>57,273</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$573,286</u></u>	<u><u>\$573,286</u></u>	<u><u>\$800,096</u></u>	<u><u>\$226,810</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Department Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$874,240	\$874,240	\$881,967	\$7,727
Intergovernmental	115,080	115,080	122,064	6,984
Other	0	0	4620	4,620
<i>Total receipts</i>	<u>989,320</u>	<u>989,320</u>	<u>1,008,651</u>	<u>19,331</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,033,600	1,028,650	459,039	569,611
Capital Outlay	40,000	44,950	2,030	42,920
<i>Total Disbursements</i>	<u>1,073,600</u>	<u>1,073,600</u>	<u>461,069</u>	<u>612,531</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(84,280)</u>	<u>(84,280)</u>	<u>547,582</u>	<u>631,862</u>
<i>Net Change in Fund Balance</i>	(84,280)	(84,280)	547,582	631,862
<i>Fund Balance Beginning of Year</i>	148,931	148,931	148,931	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u><u>\$64,651</u></u>	<u><u>\$64,651</u></u>	<u><u>\$696,513</u></u>	<u><u>\$631,862</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2005*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,090,603
Cash in Segregated Accounts	<u>39,425</u>
<i>Total Assets</i>	<u><u>\$2,130,028</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$8,883
Other Purposes	1,193,381
Unrestricted	<u>927,764</u>
<i>Total Net Assets</i>	<u><u>\$2,130,028</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2005*

	Program Cash Receipts			Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
<b>Governmental Activities</b>				
General Government	\$643,200	\$81,713		(\$561,487)
Public Safety	2,272,128	76,318		(2,195,810)
Public Works	1,409,467	144,407	\$135,954	(1,129,106)
Health	11,329	8,900		(2,429)
Conservation-Recreation	2,895			(2,895)
Other	17,664	37,970		20,306
Capital Outlay	461,517			(461,517)
Debt Service:				
Principal Retirement	256,274			(256,274)
Interest and Fiscal Charges	22,522			(22,522)
<i>Total Governmental Activities</i>	<u>\$5,096,996</u>	<u>\$349,308</u>	<u>\$135,954</u>	(4,611,734)
<b>General Receipts</b>				
Property Taxes				3,678,496
Grants and Entitlements not Restricted to Specific Programs				1,039,798
Bonds Issued				126,000
Notes Issued				185,000
Other Debt Proceeds				192,462
Interest				71,661
Miscellaneous				50,623
<i>Total General Receipts</i>				5,344,040
Change in Net Assets				732,306
<i>Net Assets Beginning of Year</i>				<u>1,397,722</u>
<i>Net Assets End of Year</i>				<u>\$2,130,028</u>

See accompanying notes to the basic financial statements



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**Chester Township**  
**Geauga County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2005*

	General	Motor Vehicle Lic. Tax	Gasoline Tax	Road and Bridge
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$927,764	\$13,298	\$59,182	\$309,733
Cash in Segregated Accounts				
<i>Total Assets</i>	<u>\$927,764</u>	<u>\$13,298</u>	<u>\$59,182</u>	<u>\$309,733</u>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	\$39,232			\$107,295
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	888,532			
Special Revenue Funds		\$13,298	\$59,182	202,438
Capital Projects Funds				
<i>Total Fund Balances</i>	<u>\$927,764</u>	<u>\$13,298</u>	<u>\$59,182</u>	<u>\$309,733</u>

See accompanying notes to the basic financial statements

<u>Cemetery</u>	<u>Police Department</u>	<u>Fire Department</u>	<u>Fire and RSC Ambulance EMS Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$41,775	\$571,499	\$148,931		\$18,421	\$2,090,603
			\$39,425		39,425
<u>\$41,775</u>	<u>\$571,499</u>	<u>\$148,931</u>	<u>\$39,425</u>	<u>\$18,421</u>	<u>\$2,130,028</u>
	\$57,273		\$23,107	\$50	\$226,957
\$41,775	514,226	\$148,931	16,318	9,488	888,532
				8,883	1,005,656
<u>\$41,775</u>	<u>\$571,499</u>	<u>\$148,931</u>	<u>\$39,425</u>	<u>\$18,421</u>	<u>8,883</u>
					<u>\$2,130,028</u>

**Chester Township  
Geauga County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2005*

	General	Motor Vehicle Lic. Tax	Gasoline Tax	Road and Bridge
<b>Receipts</b>				
Property and Other Local Taxes	\$219,101			\$1,260,886
Charges for Services				
Licenses, Permits and Fees	59,896			
Fines and Forfeitures	21,817			
Intergovernmental	503,983	35,131	100,823	190,220
Special Assessments				
Interest	59,949	1,808	9,849	
Other	56,276			22,163
<i>Total Receipts</i>	<u>921,022</u>	<u>36,939</u>	<u>110,672</u>	<u>1,473,269</u>
<b>Disbursements</b>				
Current:				
General Government	643,200			
Public Safety				
Public Works	14,990	37,688	165,000	1,191,789
Health	11,329			
Conservation-Recreation	2,895			
Capital Outlay	4,256			277,154
Debt Service:				
Principal Retirement				
Interest and Fiscal Charges				
<i>Total Disbursements</i>	<u>676,670</u>	<u>37,688</u>	<u>165,000</u>	<u>1,468,943</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>244,352</u>	<u>(749)</u>	<u>(54,328)</u>	<u>4,326</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued				
Notes Issued				
Other Debt Issued	74,700			
Advances In	114,637			
Advances Out				
Other Financing Uses	(17,664)			
<i>Total Other Financing Sources (Uses)</i>	<u>171,673</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	416,025	(749)	(54,328)	4,326
<i>Fund Balances Beginning of Year</i>	<u>511,739</u>	<u>14,047</u>	<u>113,509</u>	<u>305,407</u>
<i>Fund Balances End of Year</i>	<u>\$927,764</u>	<u>\$13,298</u>	<u>\$59,181</u>	<u>\$309,733</u>

See accompanying notes to the basic financial statements

Cemetery	Police Department	Fire Department	Fire and RSC Ambulance EMS Service	Other Governmental Funds	Total Governmental Funds
	\$1,314,608	\$883,901			\$3,678,496
4,270			76,318		76,318
					64,166
	214,490	131,105			21,817
				144,407	1,175,752
				55	144,407
10,289	4,495				71,661
					93,223
14,559	1,533,593	1,015,006	76,318	144,462	5,325,840
					643,200
	1,300,995	934,240	36,893		2,272,128
					1,409,467
					11,329
	10,849			169,258	2,895
					461,517
				256,274	256,274
				22,522	22,522
0	1,311,844	934,240	36,893	448,054	5,079,332
14,559	221,749	80,766	39,425	(303,592)	246,508
				126,000	126,000
				185,000	185,000
	117,762				192,462
	(114,637)				114,637
					(114,637)
					(17,664)
0	3,125	0	0	311,000	485,798
14,559	224,874	80,766	39,425	7,408	732,306
27,216	346,625	68,165	0	11,014	1,397,722
\$41,775	\$571,499	\$148,931	\$39,425	\$18,422	\$2,130,028

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$207,900	\$207,900	\$219,101	\$11,201
Licenses, Permits and Fees	59,860	59,860	59,896	36
Fines and Forfeitures	20,000	20,000	21,817	1,817
Intergovernmental	257,386	259,386	503,983	244,597
Interest	3,600	3,600	59,949	56,349
Other	30,000	30,000	56,276	26,276
<i>Total receipts</i>	<u>578,746</u>	<u>580,746</u>	<u>921,022</u>	<u>340,276</u>
<b>Disbursements</b>				
Current:				
General Government	721,301	754,201	670,932	83,269
Public Works	33,000	33,000	20,000	13,000
Health	8,000	14,500	11,832	2,668
Conservation-Recreation	10,000	5,000	3,462	1,538
Capital Outlay	35,000	16,600	9,676	6,924
<i>Total Disbursements</i>	<u>807,301</u>	<u>823,301</u>	<u>715,902</u>	<u>107,399</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(228,555)</u>	<u>(242,555)</u>	<u>205,120</u>	<u>447,675</u>
<b>Other Financing Sources (Uses)</b>				
Other Debt Proceeds	74,700	74,700	74,700	0
Advances In	0	0	114,637	114,637
Other Financing Uses	(50,000)	(22,288)	(17,664)	4,624
<i>Total Other Financing Sources (Uses)</i>	<u>24,700</u>	<u>52,412</u>	<u>171,673</u>	<u>119,261</u>
<i>Net Change in Fund Balance</i>	<u>(203,855)</u>	<u>(190,143)</u>	<u>376,793</u>	<u>566,936</u>
<i>Fund Balance Beginning of Year</i>	494,117	494,117	494,117	0
Prior Year Encumbrances Appropriated	<u>17,622</u>	<u>17,622</u>	<u>17,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$307,884</u></u>	<u><u>\$321,596</u></u>	<u><u>\$888,532</u></u>	<u><u>\$566,936</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
 Motor Vehicle License Tax Fund  
 For the Year Ended December 31, 2005

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$36,000	\$36,000	\$35,131	(\$869)
Interest	0	0	1,808	1,808
<i>Total receipts</i>	<u>36,000</u>	<u>36,000</u>	<u>36,939</u>	<u>939</u>
<b>Disbursements</b>				
Current:				
Public Works	42,688	42,688	37,688	5,000
<i>Total Disbursements</i>	<u>42,688</u>	<u>42,688</u>	<u>37,688</u>	<u>5,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,688)</u>	<u>(6,688)</u>	<u>(749)</u>	<u>5,939</u>
<i>Net Change in Fund Balance</i>	(6,688)	(6,688)	(749)	5,939
<i>Fund Balance Beginning of Year</i>	11,347	11,347	11,347	0
Prior Year Encumbrances Appropriated	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,359</u></u>	<u><u>\$7,359</u></u>	<u><u>\$13,298</u></u>	<u><u>\$5,939</u></u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$51,500	\$51,500	\$100,823	\$49,323
Interest	0	0	9,849	9,849
<i>Total receipts</i>	<u>51,500</u>	<u>51,500</u>	<u>110,672</u>	<u>59,172</u>
<b>Disbursements</b>				
Current:				
Public Works	165,000	165,000	165,000	0
<i>Total Disbursements</i>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(113,500)</u>	<u>(113,500)</u>	<u>(54,328)</u>	<u>59,172</u>
<i>Net Change in Fund Balance</i>	(113,500)	(113,500)	(54,328)	59,172
<i>Fund Balance Beginning of Year</i>	113,510	113,510	113,510	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$10</u>	<u>\$10</u>	<u>\$59,182</u>	<u>\$59,172</u>

See accompanying notes to the basic financial statements



**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$1,218,600	\$1,218,600	\$1,260,886	\$42,286
Intergovernmental	191,011	191,011	190,220	(791)
Other	0	0	22,164	22,164
<i>Total receipts</i>	<u>1,409,611</u>	<u>1,409,611</u>	<u>1,473,270</u>	<u>63,659</u>
<b>Disbursements</b>				
Current:				
Public Works	1,356,163	1,376,163	1,293,467	82,696
Capital Outlay	328,284	308,284	282,772	25,512
<i>Total Disbursements</i>	<u>1,684,447</u>	<u>1,684,447</u>	<u>1,576,239</u>	<u>108,208</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(274,836)</u>	<u>(274,836)</u>	<u>(102,969)</u>	<u>171,867</u>
<i>Net Change in Fund Balance</i>	(274,836)	(274,836)	(102,969)	171,867
<i>Fund Balance Beginning of Year</i>	209,038	209,038	209,038	0
Prior Year Encumbrances Appropriated	<u>96,369</u>	<u>96,369</u>	<u>96,369</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$30,571</u>	<u>\$30,571</u>	<u>\$202,438</u>	<u>\$171,867</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Cemetery Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Licenses, Permits and Fees	\$500	\$500	\$4,270	\$3,770
Other	3,200	3,200	10,289	7,089
<i>Total receipts</i>	3,700	3,700	14,559	10,859
<i>Total Disbursements</i>	0	0	0	0
<i>Excess of Receipts Over (Under) Disbursements</i>	3,700	3,700	14,559	10,859
<i>Net Change in Fund Balance</i>	3,700	3,700	14,559	10,859
<i>Fund Balance Beginning of Year</i>	27,216	27,216	27,216	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	\$30,916	\$30,916	\$41,775	\$10,859

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Department Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$1,263,838	\$1,263,838	\$1,314,608	\$50,770
Intergovernmental	215,317	215,317	214,490	(827)
Other	0	0	4,495	4,495
<i>Total receipts</i>	<u>1,479,155</u>	<u>1,479,155</u>	<u>1,533,593</u>	<u>54,438</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,371,377	1,377,377	1,355,368	22,009
Capital Outlay	30,000	24,000	13,750	10,250
<i>Total Disbursements</i>	<u>1,401,377</u>	<u>1,401,377</u>	<u>1,369,118</u>	<u>32,259</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>77,778</u>	<u>77,778</u>	<u>164,475</u>	<u>86,697</u>
<b>Other Financing Sources (Uses)</b>				
Other Debt Proceeds	117,762	117,762	117,762	0
Advances Out	(114,637)	(114,637)	(114,637)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,125</u>	<u>3,125</u>	<u>3,125</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	80,903	80,903	167,600	86,697
<i>Fund Balance Beginning of Year</i>	346,625	346,625	346,625	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$427,528</u>	<u>\$427,528</u>	<u>\$514,225</u>	<u>\$86,697</u>

See accompanying notes to the basic financial statements

**Chester Township**  
**Geauga County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire Department Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$854,900	\$854,900	\$883,901	\$29,001
Intergovernmental	130,962	130,962	131,105	143
<i>Total receipts</i>	<u>985,862</u>	<u>985,862</u>	<u>1,015,006</u>	<u>29,144</u>
<b>Disbursements</b>				
Current:				
Public Safety	985,100	985,100	934,240	50,860
Capital Outlay	30,000	30,000	0	30,000
<i>Total Disbursements</i>	<u>1,015,100</u>	<u>1,015,100</u>	<u>934,240</u>	<u>80,860</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,238)</u>	<u>(29,238)</u>	<u>80,766</u>	<u>110,004</u>
<i>Net Change in Fund Balance</i>	(29,238)	(29,238)	80,766	110,004
<i>Fund Balance Beginning of Year</i>	68,165	68,165	68,165	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,927</u></u>	<u><u>\$38,927</u></u>	<u><u>\$148,931</u></u>	<u><u>\$110,004</u></u>

See accompanying notes to the basic financial statements

**Chester Township  
Geauga County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Fire and Rescue, Ambulance and EMS Service Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Charges for Services	\$0	\$60,000	\$76,318	\$16,318
<i>Total receipts</i>	0	60,000	76,318	16,318
<b>Disbursements</b>				
Current:				
Public Safety		60,000	60,000	0
<i>Total Disbursements</i>	0	60,000	60,000	0
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	16,318	16,318
<i>Net Change in Fund Balance</i>	0	0	16,318	16,318
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$16,318	\$16,318

See accompanying notes to the basic financial statements

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**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 1 – Reporting Entity**

Chester Township, Geauga County, Ohio (the Township), is a body politic and corporate established in 1801 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For 2006, the Township provides general government services, maintenance of Township roads and bridges, and police services for the entire year and fire and ambulance services from September 1, 2006 forward. Prior to September 1, 2006, the Township contracted with Chesterland Fire Rescue, Inc. for fire and ambulance services. For 2005, the Township provides general government services, maintenance of Township roads and bridges, and police services. The Township contracted for fire and ambulance services from Chesterland Fire Rescue, Inc.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provided support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

These financial statements exclude the following entity which performs activities within the Township's boundaries for the benefit of its residents because the Township is not financially accountable for this entity nor are they fiscally dependent on the Township:

Chester Township Park Board

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 2 – Summary of Significant Accounting Policies (continued)**

the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are classified as governmental.



**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 2 – Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. In 2006 and 2005, the Township has the following major governmental funds:

**General Fund** – This fund is used to account for all financial resources, except those required to be accounted for 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.

**Road & Bridge Fund** – This fund receives tax levy money for the purpose of providing and maintaining roads, ditches, and bridges, related apparatus, appliances, buildings, or the payment of highway laborers.

**Police Fund** – This fund receives tax levy money for the purpose of providing and maintaining police apparatus, equipment, or payment of permanent, part-time police officers.

**Fire Fund** – This fund receives tax levy money for the purpose of providing and maintaining fire apparatus, appliances, buildings, sources of water supply and materials, or the payment of permanent, part-time, or volunteer firemen or to provide ambulance or emergency medical services.

In 2005, the Township also had the following major governmental funds:

**Motor Vehicle License Tax Fund** – This fund receives intergovernmental money for the purpose of maintaining roads, ditches, and bridges.

**Gasoline Tax Fund** – This fund receives intergovernmental money for the purpose of maintaining roads, ditches, and bridges.

**Cemetery Fund** – This fund receives fees for the purpose of providing and maintaining the cemetery.

**Fire and RSC Ambulance EMS Service Fund** – This fund receives charges for services money for the purpose of providing and maintaining ambulance or emergency medical services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 2 – Summary of Significant Accounting Policies (continued)**

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level within a fund and department for 2006 and 2005.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested, except for Ambulance and EMS billing proceeds which must by Ohio Revised Code be maintained in a separate account. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 2 – Summary of Significant Accounting Policies (continued)**

**E. Cash and Investments (continued)**

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. 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 negative receipts (contra revenue), respectively.

During 2006 and 2005, the Township invested in a mutual fund (overnight sweep) and STAR Ohio.

The Township's mutual fund is recorded at the amount reported by Key Bank on December 31, 2006 and 2005.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2006 and 2005

Interest earnings are allocated to Township funds according to State statutes or grant requirements. Interest receipts credited during 2006 was \$157,431. Interest receipts credited during 2005 was \$71,661.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent reserve for encumbrances.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

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

**I. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 2 – Summary of Significant Accounting Policies (continued)**

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital assets when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for fire, police, and highway services.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

In 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005, the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund, Police Fund, and Fire Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$199,289 in 2006 and \$39,232 in 2005 for the General Fund; \$40,925 in 2006 and \$107,295 in 2005 for the Road and Bridge Fund; \$9,570 in 2006 and \$57,273 in 2005 for the Police Fund; \$4,555 in 2006 for the Fire Fund; and \$23,107 in 2005 for the Ambulance & EMS Fund.

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawals on demand, including negotiable order of withdrawal (NOW) accounts or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 5 – Deposits and Investments (continued)**

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006, \$228,743 of the Township’s bank balance of \$328,743 and at December 31, 2005, \$315,425 of the Township’s bank balance of \$415,425 were exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Township’s name.

The Township’s policy for custodial risk contains the requirements of the Ohio Revised Code. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2006 and 2005, the Township had the following investments:

Investment Type	2006 Carrying Value	2005 Carrying Value
Mutual Fund	\$2,923,203	\$1,701,897
STAR Ohio	34,292	32,662
Total Investments	\$2,957,495	\$1,734,559

These investments have a maturity of less than one year.

Interest rate risk arises because the fair value of investment changes as interest rates change. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 5 – Deposits and Investments (continued)**

The mutual fund and Star Ohio were rated AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

The Township places no limit on the amount that may be invested in any one issuer. The Township invested in Star Ohio and a mutual fund which represent 98.8% and 1.2%, respectively, in 2006. The Township invested in Star Ohio and a mutual fund which represent 98.2% and 1.8%, respectively, in 2005.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in each year represent the collection of prior year taxes. Real property taxes received in each year were levied after October 1 of the prior year, on the assessed values as of January 1, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in each year represent the collection of prior year taxes. Public utility real and tangible personal property taxes received in each year became a lien on December 31 of the prior year, were levied after October 1 of the prior year and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in each year (other than public utility property) represent the collection of current year taxes. Tangible personal property taxes received in each year were levied after October 1 of the prior year on the true value as of December 31 of the prior year. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$18.60 per \$1,000 of assessed value and \$18.60 per \$1,000 of assessed value for the year ended December 31, 2005. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were based are as follows:

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 6 – Property Taxes (continued)**

	<u>2006</u>	<u>2005</u>
<u>Real Property</u>		
Residential	\$ 304,983,590	\$ 273,841,360
Agriculture	15,769,610	14,454,610
Commercial/Industrial/Mineral	27,480,930	23,619,980
<u>Public Utility Property</u>		
Real & Personal	10,056,010	10,815,600
<u>Tangible Personal Property</u>		
Business	<u>4,605,320</u>	<u>5,705,130</u>
Total Assessed Value	<u>\$ 362,895,460</u>	<u>\$ 328,436,680</u>

**Note 7 – Risk Management**

The Township is exposed to various risks of property and casualty losses.

A. Property and Casualty Coverage

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

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589 and for 2006 was \$1,901,127.



**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 7 – Risk Management (continued)**

A. Property and Casualty Coverage (continued)

Property Coverage (continued)

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 Township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
<u>Casualty Coverage</u>		
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained Earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
 <u>Property Coverage</u>		
Assets	\$10,010,963	\$ 9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained Earnings	<u>\$ 9,334,254</u>	<u>\$ 7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township’s share of these unpaid claims collectible in future years is approximately \$291,448. This payable includes the subsequent year’s contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

**Township Contributions to OTARMA**

2004	\$ 70,151
2005	\$ 71,133
2006	\$ 75,603

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 7 – Risk Management (continued)**

A. Property and Casualty Coverage (continued)

Financial Position(continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**Note 8 – Defined Benefit Pension Plan**

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.
3. The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member Directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The Township's contribution rate for pension benefits for 2006 was 13.70 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.93 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System (continued)**

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The Township's contribution rate for pension benefits for 2005 was 13.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.70 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$218,615; \$272,982; and \$207,007 respectively. The full amount has been contributed for 2006, 2005 and 2004.

**B. Ohio Police and Fire Pension Fund**

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to OP&F were \$2,098 for the year ended December 31, 2006; the first year the Township was subject to pay into OP&F. The full amount has been contributed for 2006.

**Note 9 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. Local government employer units contributed at 13.7 percent in 2006 and 13.55 percent in 2005 of covered payroll, and public safety and law enforcement employer units contributed at 16.93 percent in 2006 and 16.70 percent in 2005. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units, and 18.1 percent of covered payroll for law and public safety employer units.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 9 - Postemployment Benefits (continued)**

**A. Ohio Public Employees Retirement System (continued)**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase .50 to 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214 at December 31, 2006 and 358,804 at December 31, 2005. Actual employer contributions for 2006 and 2005 which were used to fund post-employment benefits were \$313,600 and \$299,617 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides that health care cost paid from funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75 percent of covered payroll in 2005 and 2006. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 9 - Postemployment Benefits (continued)**

**B. Ohio Police and Fire Pension Fund (continued)**

The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available, are 13,922 for Police and 10,537 for Firefighters. The Township's actual contributions for 2006 that was used to fund postemployment benefits was \$163 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

**Note 10 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2005, follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
<u>Governmental Activities</u>					
<u>Special Assessment Note</u>					
Sherman Road Project	3.05%	\$0	\$185,000	\$185,000	\$0

All note was partial paid off and the remainder was rolled into the bond issued as described in Note 11. The bond anticipation note is backed by the full faith and credit of the Township.

No notes were issued in 2006.

**Note 11 – Bonded Debt**

The Township's long term debt activity for the year ended December 31, 2005, was as follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Due Within One Year
<u>Governmental Activities</u>						
<u>Special Assessment Bonds</u>						
Caves and Sperry Road Project	6.15%	\$22,407	0	22,407	0	0
Sherman Road	Various	\$41,893	0	9,648	32,245	10,178
1999 Various Road Project	5.63%	\$54,157	0	7,838	46,319	8,279
Sperry Road Project	Various	\$93,946	0	11,381	82,565	12,002
Cedar Road Bonds	Various	255,000	0	20,000	235,000	25,000
Sherman Road Paving	5.19%	0	126,000	0	126,000	9,446
Total		\$467,403	\$126,000	\$71,274	\$522,129	\$64,905

The Township's long term debt activity for the year ended December 31, 2006, was as follows:

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 11 – Bonded Debt (continued)**

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<u>Governmental Activities</u>						
<u>Special Assessment Bonds</u>						
Sherman Road	Various	32,245	0	10,178	22,067	10,738
1999 Various Road Project	5.63%	46,319	0	8,279	38,040	8,744
Sperry Road Project	Various	82,565	0	12,002	70,563	12,656
Cedar Road Bonds	Various	235,000	0	25,000	210,000	25,000
Sherman Road Paving	5.19%	126,000	0	9,446	116,554	10,459
Total		\$522,129	\$0	\$64,905	\$457,224	\$67,597

Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the Township.

The following is a summary of the Township's future annual debt service requirements:

Year	G.O. Bonds	
	Principal	Interest
2007	\$ 67,596	\$ 20,345
2008	69,919	17,372
2009	60,416	14,200
2010	62,340	11,475
2011	53,487	8,594
2012–2016	143,466	13,899
Totals	\$457,224	\$ 85,885

**Note 12 – Interfund Transfers**

During 2006 and 2005 there were no transfers were made.

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or transfers to reserve balance accounts established in accordance with Chapter 5705.13 of the Ohio Revised Code.

**Note 13 – Contingent Liabilities**

The Township is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Chester Township, Geauga County**  
Notes to the Financial Statements  
For the Years Ended December 31, 2006 and 2005

**Note 14 –Compliance**

The Township did not advertise for the submission of proposals for the selection of a construction manager for the Chester School demolition project as required by Ohio revised Code Section 9.331.

Also, the Township for the Chester School demolition project did not evaluate proposals submitted; and select and rank no fewer than three construction managers that it considers to be the most qualified as required by Ohio revised Code Section 9.332.

In 2006, the Trustees approved by a two to one vote to pay EA Group, Inc. for construction oversight for the asbestos removal portion of the demolition of the Old Chester School. This bill was paid by the Fiscal Officer under a Legal Opinion from the Geauga County Prosecutor's Office. The final bill totaled \$14,816.

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Chester Township  
Geauga County  
12701 Chillicothe Road  
Chesterland, Ohio 44026

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chester Township, Geauga County, (the Township) as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated March 27, 2008, wherein we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Township's management in a separate letter dated March 27, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

March 27, 2008

**CHESTER TOWNSHIP  
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2006-001**

**Material Noncompliance**

Ohio Rev. Code § 9.331(A) states, in part, that before entering into a contract to employ a construction manager, a public owner shall advertise, in a newspaper of general circulation in the county where the contract is to be performed, notice of its intent to employ a construction manager.

Ohio Rev. Code § 9.332 provides that for every construction management contract, the public owner planning to contract for construction management services shall evaluate the proposals submitted and may hold discussions with individual construction managers to explore further their proposals, the scope and nature of the services they would provide, and the various technical approaches they may take regarding the project. Subsection (A) requires that following this evaluation, the public owner shall select and rank no fewer than three construction managers that it considers to be the most qualified.

The Township hired a construction manager and made expenditures totaling \$36,181.44 for which the Township did not advertise for the selection of a construction manager or evaluate and rank proposals for the Chester School demolition project.

**Official's Response:**

The physical removal of asbestos at the Chester School began on July 18, 2006. The contract between the abatement contractor and the Township was dated July 12, 2006. Trustee Ron Cotman and Charlie Stevens, trustee when expenditures occurred, believe the work performed by EA Group prior to the contract date with the asbestos abatement company, was 'professional design services' and not 'construction management' services. The total dollar amount paid to EA Group in 2006 was \$36,181.44. Of that amount, \$18,836.44 was paid to provide professional design services and \$17,345.00 for construction management services. Trustee Judy Caputo and Finance Officer Karen Austin believe the work performed was 'construction management' services.

All payments to EA Group in 2006 were for work performed between 1/1/06 and 8/31/06. The Chester Township Board of Trustees unanimously approved \$55,045.00 in purchase orders between December 21, 2005 and August 17, 2006 to cover costs associated with this work. At the end of September 2006, it was discovered that ORC construction management selection requirements had not been followed.

Prior to the start of the demolition of the Chester School, proper procedures were followed in selection of a construction manager for that phase of the project. On October 8, 2006, the township advertised for the selection of a construction manager. On November 16, 2006 the Board of Trustees evaluated and ranked proposals in accordance with ORC requirements.

**Auditor's Response:**

The Auditor of State referred the Official's Response to the Geauga County Prosecutor's Office for a determination on this project as to what constituted "construction management". The County Prosecutor responded as follows:

It is the opinion of this Office, given the scope of the work performed by EA Group, that 100% of the work it completed was for construction management as EA Group was retained by Chester Township to plan, coordinate and manage all phases of the tear down of Chester School, including all preliminary work up through site clean up after the school was completely torn down. As a result of the entire scope of work performed, none of the work EA Group performed qualifies as professional design services as all of the work was done pursuant to EA Group's role as construction manager.

Based on the County Prosecutor's Opinion, all \$36,181.44 would be for construction management. Our Office concurred with the Prosecutor's Opinion.

**CHESTER TOWNSHIP  
GEAUGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	Fiscal Officer Certification	Yes	
2004-002	Expenditures greater than appropriations	Yes	



**Mary Taylor, CPA**  
Auditor of State

**CHESTER TOWNSHIP**

**GEAUGA 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  
MAY 6, 2008**