

***CHESTER TOWNSHIP***

***GEAUGA COUNTY***

Regular Audit

For the Years Ended December 31, 2023 and 2022







65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
Chester Township  
12701 Chillicothe Road  
Chesterland, Ohio 44026

We have reviewed the *Independent Auditor's Road* of Chester Township, Geauga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Chester Township is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 07, 2024**

**This page intentionally left blank.**

***Chester Township***  
***Geauga County***  
For the Years Ended December 31, 2023 and 2022

**Table of Contents**

<b>Title</b>	<b>Page</b>
Independent Auditor’s Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2023 .....	4
Notes to the Financial Statements – For the Year Ended December 31, 2023 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2022 .....	15
Notes to the Financial Statements – For the Year Ended December 31, 2022 .....	16
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	26

**This page intentionally left blank.**

**INDEPENDENT AUDITOR'S REPORT**

Chester Township  
Geauga County  
12701 Chillicothe Rd  
Chesterland, Ohio 44026

To the Township Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Chester Township, Geauga County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

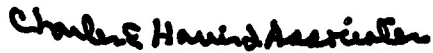


- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
April 26, 2024

**CHESTER TOWNSHIP  
GEOUGA COUNTY  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Governmental Fund Types</b>			<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 546,858	\$ 5,613,617	-	\$ 6,160,475
Charges for Services	-	653,046	-	653,046
Licenses, Permits and Fees	20,672	6,350	-	27,022
Fines and Forfeitures	5,419	-	-	5,419
Intergovernmental	220,122	798,848	-	1,018,970
Earnings on Investments	285,677	11,565	-	297,242
Miscellaneous	43,566	85,140	-	128,706
<i>Total Cash Receipts</i>	<u>1,122,314</u>	<u>7,168,566</u>	<u>-</u>	<u>8,290,880</u>
<b>Cash Disbursements</b>				
Current:				
General Government	653,682	-	-	653,682
Public Safety	-	4,042,606	-	4,042,606
Public Works	26,916	3,108,729	-	3,135,645
Health	-	39,967	-	39,967
Conservation-Recreation	8,217	1,289	-	9,506
Capital Outlay	191,163	799,278	-	990,441
Debt Service:				
Principal Retirement	-	9,480	-	9,480
<i>Total Cash Disbursements</i>	<u>879,978</u>	<u>8,001,349</u>	<u>-</u>	<u>8,881,327</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	242,336	(832,783)	-	(590,447)
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	-	239,286	-	239,286
Transfers In	-	50,600	-	50,600
Transfers Out	(50,600)	-	-	(50,600)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(50,600)</u>	<u>289,886</u>	<u>-</u>	<u>239,286</u>
<i>Net Change in Fund Cash Balances</i>	191,736	(542,897)	-	(351,161)
<i>Fund Cash Balances, January 1</i>	<u>926,639</u>	<u>4,953,870</u>	<u>\$ 5,032</u>	<u>5,885,541</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,118,375</u>	<u>\$ 4,410,973</u>	<u>\$ 5,032</u>	<u>\$ 5,534,380</u>

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

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Chester Township, Geauga County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police, fire protection and emergency medical services.

***Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pool***

The Township participates in Ohio Township Association Risk Authority (OTARMA), a public entity risk pool, and two jointly governed organizations, the West Geauga Joint Recreation District (the District) and the Northeast Ohio Public Energy Council (NOPEC). Note 6 to the financial statements provide additional information on OTARMA. OTARMA is a risk sharing pool available to all Townships for property and Casualty Insurance coverage. Note 12 to the financial statements provides additional information on the jointly governed organizations. In 2019, the Township joined the Lake County SWAT Team. Note 11 to the financial statements provides additional information on the SWAT organization. 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**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

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

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

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

***Fire District 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 fire personnel and part-time fire personnel or to provide ambulance or emergency medical services.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

***Special Assessment Fund*** – The Township assessed residents for road work done on Sperry and Sherman Road.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

A summary of 2023 budgetary activity appears in Note 3.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

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

***Deposits and Investments***

The Township’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***SBITAs***

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

*Assigned* Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*Unassigned* Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 789,691	\$ 1,122,314	\$ 332,623
Special Revenue	6,856,030	7,458,452	602,422

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,242,259	\$ 932,446	\$ 309,813
Special Revenue	9,455,391	8,565,171	890,220

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2023
Demand deposits	\$ 476,842
STAR Ohio	5,057,538
Total deposits and investments	\$ 5,534,380

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 4 – Deposits and Investments (continued)**

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$ 14,835 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 6 – Risk Management (continued)**

***Risk Pool Membership***

The Chester Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Townships policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31 (the latest information available):

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	9,146,434

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members local and Law Enforcement contributed 10% and 13%, respectively of their gross salaries, and the Township contributed an amount equaling 14% and 18.10%, respectively of participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

Township police officers are excluded from the Ohio Police and Fire Pension Fund (OP&F). Full-time fire fighters with State Fire Fighter Certification are required to pay into OP&F. Part time fire personnel are exempt from OPERS and OP&F in accordance with Ohio Revised Code 145.01(B) or Ohio Administrative Code Section 145-1-26 and Ohio Revised Code Section 742.01, respectively, are subject to Social Security Tax.



**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 7 – Defined Benefit Pension Plans (continued)**

***Ohio Police and Fire Retirement System***

Township certified full – time Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time members’ wages. The Township has paid all contributions required through December 31, 2023.

***Social Security***

Part – Time Fire personnel Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Ohio Public Works Old Mill	\$ 20,995	0%
Ohio Department of Commerce	233,306	0%
Total	\$ 254,301	

The \$20,995 loan outstanding is an interest-free loan from the Ohio Public Works Commission (OPWC) for the embankment stabilization projects on Old Mill Road in cooperation with the Village of Gates Mills and requires equal payments over twenty years ending 2030.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 9 – Debt (continued)**

The \$ 233,306 loan outstanding is an interest-free loan from the Ohio Department of Commerce (ODOC) Revolving Fund for the purchase of a 2024 Pumper Truck which requires equal payments over ten years ending 2034.

***Amortization***

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

Year ending December 31:	OPWC	ODOC
2024	\$ 3,500	\$ 23,920
2025	3,500	23,920
2026	3,500	23,920
2027	3,500	23,920
2028	3,500	23,920
2029-2034	3,495	113,706
	<u>\$ 20,995</u>	<u>\$ 233,306</u>

**Note 10 – Contingent Liabilities**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township’s financial condition.

**Note 11 – Membership Organizations**

***Lake County SWAT Team***

In 2019, the Township became a member of the Lake County Sheriff’s Office SWAT Team which formed in the 1970’s and was the first to exist in Ohio. It employs sophisticated equipment and maintains a rigorous training schedule on negotiations techniques, chemical agent deployment, tactical paramedic training, long-rifle shooting, less than lethal weaponry, and covert building searches. The Lake County Sheriff’s Office SWAT Team maintains the ability to respond to high-risk incidents at any hour of the day or night, regardless of weather. The unit is always on a 24-hour callout basis.

The SWAT team is generally activated to respond to situations that are deemed high risk and/or require specialized training, expertise, and equipment. The SWAT Team is committed to the safe resolution of all critical incidents and approaches each situation in a professional and controlled manner, with an emphasis on a negotiated resolution.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 11 – Membership Organizations (continued)**

The primary functions served by the team include:

- High-Risk search and arrest warrants
- Barricaded subjects
- Hostage taking incidents
- Suicidal individuals
- Riot/civil disturbances
- Officer rescue
- Surveillance operations
- Dignitary protection/ VIP visit

There was no annual fee for Chester Township to participate with the Lake County Sheriff's Office SWAT Team. However, there is an initial cost around \$1,500 for personal uniforms, gas mask and basic SWAT school.

**Note 12 – Jointly Governed Organizations**

***Northeast Ohio Public Energy Council***

The Township is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

***West Geauga Joint Recreation District***

The Township is a member of the West Geauga Joint Recreation District (the District). The District is formed under Ohio Revised Code §755.14. The District was formed to promote and provide joint recreation programs and to acquire and develop land to meet the recreational needs of the West Geauga Community. The District is comprised of the Township, Russell Township and the West Geauga Local School District. The District is directed by a nine-member Board of Trustees, of which three members are appointed by the Township. The Township contributed \$0 to the District during 2022 and 2023. Financial information can be obtained by contacting the West Geauga Joint Recreational Board, P.O. Box 384, Chesterland, Ohio 44026.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 13 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 1,868	\$ 563,822	\$ 565,690

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue and capital projects include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township.

**CHESTER TOWNSHIP  
GEOUGA COUNTY  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES - REGULATORY CASH BASIS  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Governmental Fund Types</b>			<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 546,938	\$ 5,606,689	-	\$ 6,153,627
Charges for Services	-	375,627	-	375,627
Licenses, Permits and Fees	15,760	8,655	-	24,415
Fines and Forfeitures	9,764	-	-	9,764
Intergovernmental	216,624	1,480,419	-	1,697,043
Special Assessments	-	29,319	-	29,319
Earnings on Investments	80,614	4,954	-	85,568
Miscellaneous	38,956	86,714	-	125,670
<i>Total Cash Receipts</i>	<u>908,656</u>	<u>7,592,377</u>	<u>-</u>	<u>8,501,033</u>
<b>Cash Disbursements</b>				
Current:				
General Government	584,929	-	-	584,929
Public Safety	-	3,809,715	-	3,809,715
Public Works	23,369	2,916,383	-	2,939,752
Health	-	37,957	-	37,957
Conservation-Recreation	6,028	834	-	6,862
Capital Outlay	100,130	1,508,864	-	1,608,994
Debt Service:				
Principal Retirement	-	32,152	-	32,152
Interest & Fiscal Charges	-	1,080	-	1,080
<i>Total Cash Disbursements</i>	<u>714,456</u>	<u>8,306,985</u>	<u>-</u>	<u>9,021,441</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	194,200	(714,608)	-	(520,408)
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	221,500	-	221,500
Transfers Out	(221,500)	-	-	(221,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(221,500)</u>	<u>221,500</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(27,300)	(493,108)	-	(520,408)
<i>Fund Cash Balances, January 1, restated</i>	<u>953,939</u>	<u>5,446,978</u>	<u>\$ 5,032</u>	<u>6,405,949</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 926,639</u>	<u>\$ 4,953,870</u>	<u>\$ 5,032</u>	<u>\$ 5,885,541</u>

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

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Chester Township, Geauga County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police, fire protection and emergency medical services

***Jointly Governed Organizations and Related Organizations***

The Township participates in Ohio Township Association Risk Authority (OTARMA), a public entity risk pool, and two jointly governed organizations, the West Geauga Joint Recreation District (the District) and the Northeast Ohio Public Energy Council (NOPEC). Note 6 to the financial statements provide additional information on OTARMA. OTARMA is a risk sharing pool available to all Townships for property and Casualty Insurance coverage. Note 12 to the financial statements provides additional information on the jointly governed organizations. In 2019, the Township jointed the Lake County SWAT Team. Note 11 to the financial statements provides additional information on the SWAT organization. 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**

***Basis of Presentation***

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

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

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

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

***Fire District 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 fire personnel and part-time fire personnel or to provide ambulance or emergency medical services.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

***Special Assessment Fund*** The Township assessed residents for road work done on Sperry and Sherman Road

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2022 budgetary activity appears in Note 3.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

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

***Deposits and Investments***

The Township’s accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.



**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

*Unassigned* Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 757,819	\$ 908,656	\$ 150,837
Special Revenue	7,670,748	7,813,877	143,129

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,194,538	\$ 937,578	\$ 256,960
Special Revenue	11,309,638	8,981,687	2,327,951

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2022
Demand deposits	\$ 1,531,681
STAR Ohio	4,353,860
Total deposits and investments	\$ 5,885,541

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$ 22,813 in unremitted employee payroll withholdings.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 4 – Deposits and Investments (continued)**

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

Chester Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 6 – Risk Management (continued)**

- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	9,146,434

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members local and Law Enforcement contributed 10% and 13%, respectively of their gross salaries, and the Township contributed an amount equaling 14% and 18.10%, respectively of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

Township police officers are excluded from the Ohio Police and Fire Pension Fund OP&F. Full-time fire fighters with State Fire Fighter Certification are required to pay into OP&F. Part time fire personnel are exempt from OPERS and OP&F in accordance with Ohio Revised Code 145.01(B) or Ohio Administrative Code Section 145-1-26 and Ohio Revised Code Section 742.01, respectively, are subject to Social Security Tax.

***Ohio Police and Fire Retirement System***

Township certified full – time Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time members’ wages. The Township has paid all contributions required through December 31, 2022.

***Social Security***

Part – Time Fire personnel Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 7 – Defined Benefit Pension Plans (continued)**

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0% during calendar year 2022. OP&F contributes 0.5% to fund these benefits.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employment retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Old Mill	\$ 24,495	0%

The \$24,495 loan outstanding is an interest-free loan from the Ohio Public Works Commission (OPWC) for the embankment stabilization projects on Old Mill Road in cooperation with the Village of Gates Mills and requires equal payments over twenty year.

***Amortization***

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

<u>Year ending</u> <u>December 31:</u>	<u>General</u> <u>Obligation Note</u>
2023	\$ 3,500
2024	3,500
2025	3,500
2026	3,500
2027	3,500
2028-2030	6,996
	\$ 24,496

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 10 – Contingent Liabilities**

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

**Note 11 – Membership Organizations**

***Lake County SWAT Team***

In 2019, the Township became a member of the Lake County Sheriff's Office SWAT Team which formed in the 1970's and was the first to exist in Ohio. It employs sophisticated equipment and maintains a rigorous training schedule on negotiations techniques, chemical agent deployment, tactical paramedic training, long-rifle shooting, less than lethal weaponry, and covert building searches. The Lake County Sheriff's Office SWAT Team maintains the ability to respond to high risk incidents at any hour of the day or night, regardless of weather. The unit is on a 24-hour callout basis at all times.

The SWAT team is generally activated to respond to situations that are deemed high risk and/or require specialized training, expertise and equipment. The SWAT Team is committed to the safe resolution of all critical incidents and approaches each situation in a professional and controlled manner, with an emphasis on a negotiated resolution.

The primary functions served by the team include:

- High-Risk search and arrest warrants
- Barricaded subjects
- Hostage taking incidents
- Suicidal individuals
- Riot/civil disturbances
- Officer rescue
- Surveillance operations
- Dignitary protection/ VIP visit

There was no annual fee for Chester Township to participate with the Lake County Sheriff's Office SWAT Team. However, there is an initial cost around \$1,500 for personal uniforms, gas mask and basic SWAT school.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 12 – Jointly Governed Organizations**

***Northeast Ohio Public Energy Council***

The Township is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

***West Geauga Joint Recreation District***

The Township is a member of the West Geauga Joint Recreation District (the District). The District is formed under Ohio Revised Code §755.14. The District was formed to promote and provide joint recreation programs and to acquire and develop land to meet the recreational needs of the West Geauga Community. The District is comprised of the Township, Russell Township and the West Geauga Local School District. The District is directed by a nine-member Board of Trustees, of which three members are appointed by the Township. The Township contributed \$0 to the District during 2022 and 2023. Financial information can be obtained by contacting the West Geauga Joint Recreational Board, P.O. Box 384, Chesterland, Ohio 44026.

**Note 13 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 1,622	\$ 674,702	\$ 676,324

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

In 2022, the beginning fund balance of the General Fund was adjusted by \$110 and Special Revenue Fund by \$330 due to checks that were voided.

**CHESTER TOWNSHIP**  
*Geauga County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Chester Township  
Geauga County  
12701 Chillicothe Rd  
Chesterland, Ohio 44026

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Chester Township, Geauga County, (the Township) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated April 26, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 26, 2024.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
April 26, 2024

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**CHESTER TOWNSHIP**

**GEAUGA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 6/20/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)