



OHIO AUDITOR OF STATE
KEITH FABER



CHATFIELD TOWNSHIP
CRAWFORD COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Chatfield Township, Marion County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Efficient • Effective • Transparent

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the 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 year ended December 31, 2020, and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Keith Faber
Auditor of State
Columbus, Ohio

September 17, 2021

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**CHATFIELD TOWNSHIP
CRAWFORD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$ 299,391	\$ 392,283	\$ -	\$ -	\$ 691,674
Intergovernmental	23,993	163,833	-	28,145	215,971
Earnings on Investments	327	121	-	-	448
Miscellaneous	712	24,007	-	-	24,719
<i>Total Cash Receipts</i>	<u>324,423</u>	<u>580,244</u>	<u>-</u>	<u>28,145</u>	<u>932,812</u>
Cash Disbursements					
Current:					
General Government	86,851	25,955	-	-	112,806
Public Safety	-	104,155	-	-	104,155
Public Works	46,250	190,367	-	28,145	264,762
Health	11,548	-	-	-	11,548
Capital Outlay	30,000	22,966	-	-	52,966
Debt Service:					
Principal Retirement	-	13,429	-	-	13,429
Interest and Fiscal Charges	-	945	-	-	945
<i>Total Cash Disbursements</i>	<u>174,649</u>	<u>357,817</u>	<u>-</u>	<u>28,145</u>	<u>560,611</u>
<i>Excess of Receipts Over Disbursements</i>	149,774	222,427	-	-	372,201
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	22,623	-	-	-	22,623
Other Financing Sources	-	2,625	-	-	2,625
Other Financing Uses	-	(7,956)	-	-	(7,956)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>22,623</u>	<u>(5,331)</u>	<u>-</u>	<u>-</u>	<u>17,292</u>
<i>Net Change in Fund Cash Balances</i>	172,397	217,096	-	-	389,493
<i>Fund Cash Balances, January 1</i>	<u>90,953</u>	<u>193,618</u>	<u>1,212</u>	<u>-</u>	<u>285,783</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 263,350</u>	<u>\$ 410,714</u>	<u>\$ 1,212</u>	<u>\$ -</u>	<u>\$ 675,276</u>

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

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020

Note 1-Reporting Entity

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

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Notes 6 and 9 to the financial statements provides additional information for these entities.

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority (OTARMA)-OTARMA Provides property and casualty coverage for its members and pays judgments, settlements, and other expenses resulting from covered claims that exceed the deductible.

Jointly Governed Organization:

Central Joint Ambulance District – provides ambulance services for the Township

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.

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:

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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:

Gasoline Tax Fund- The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads with the Township.

Fire Levy Fund- The Fire Levy fund accounts for and reports the proceeds of the Township Tax Levy for the purpose of providing funds for protection against fire.

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 Projects Fund.

Ohio Public Works Commission Fund-This fund is used for Issue 1 grants for paving projects. In the year 2020, an Issue 1 grant was received in the amount of \$28,145.04. This was a joint grant with Crawford County Engineers office and various other Crawford County Townships.

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 (D). 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 (D) permit.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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. Appropriations lapse at year-end.

Estimated Resources-Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as a 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 canceled, and re-appropriated the subsequent year.

A summary of 2020 budgetary activity appears in Note 3.

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.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

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 and the nonspendable portion of the corpus in permanent funds.

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. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

For regulatory purposes, limited disclosure related to fund balance is included in Note 19.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$183,501	\$347,046	\$163,545
Special Revenue	389,107	582,869	193,762
Debt Service	0	0	0
Capital Projects	28,200	28,145	(55)
Total	\$600,808	\$958,060	\$357,252

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$244,950	\$174,649	\$70,301
Special Revenue	504,388	365,773	138,615
Debt Service	100	0	100
Capital Projects	28,200	28,145	55
Total	\$777,638	\$568,567	\$209,071

Note 4 – Deposits and Investments

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

	2019
Demand deposits	\$611,845
Total deposits	611,845
STAR Ohio	
Total investments	63,431
Total deposits and investments	\$675,276

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 4 – Deposits and Investments (continued)

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Investments

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

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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by February 5. If the property owner elects to pay semiannually, the first half is due February 5. The second half 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 of the Township.

In 2020 a considerable portion of assessed property taxes from Rover Pipeline have been unpaid as they are pursuing appeals through the Ohio Department of Taxation.

Note 6-Risk Management

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

The Township insures against injuries to employees through the Ohio Bureau of Workers Compensation.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 6-Risk Management (Continued)

Risk Pool Membership

Chatfield 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 Chatfield Township's 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:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

2020 Contributions to OTARMA
\$13,099

After one year of membership, a member may withdraw of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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 occurred or was reported prior to the withdrawal.

Note 7-Defined Benefit Pension Plans

Ohio Public Employees Retirement System All full time employees belong to the Ohio Public Employees Retirement Systems (OPERS). OPERS is a cost-sharing, multiple-employer plan, The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2020
(continued)

Note 7-Defined Benefit Pension Plans (continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contribution required through December 31, 2020.

Note 8- Postemployment Benefits

OPERS offers 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 2020.

Note 9-Jointly Governed Organization

The Central Joint Ambulance District is a jointly governed organization pursuant to Ohio Revised Code Section 505.71. The District provides ambulance services to the City of Bucyrus and twelve townships, including Chatfield Township. Each participant has one representative on the District's Board of Directors. Financial information can be obtained from the Central Joint Ambulance District, 1371 Lemert Rd. Bucyrus, OH 44820.

Note 10-Debt

On January 9, 2017 a five year Commercial Loan Agreement through the Lender, Civista Bank, was signed for \$65,000 at an interest rate of 3.4%. The maturity date on this loan is 01/08/2022. This loan was used for the purchase of a truck from Robertson Truck Sales for \$25,000 and the remainder of the loan was used for the customization of the said truck to utilize it as a Tanker Fire Truck for the Township. This work was done by Elliott Machine Works, Inc.

Chatfield Township
 Crawford County
 Notes to the Financial Statements
 For the year Ended December 31, 2020
(continued)

Note 10-Debt (continued)

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

Year Ending	
December 31:	Fire Truck Loan
2021	\$14,374
2022	\$14,374
Total	\$28,748

Note 11-Grant Revenue

On May 20, 2020 Chatfield Township received an Equipment Grant from the Ohio Department of Commerce, Division of State Fire Marshal (SFM) for the year 2020 for the amount of \$7,955.97. This was to be used for Fire Turnout Gear. These funds were to be expended by October 1, 2020.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 \$0.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

CHATFIELD TOWNSHIP
CRAWFORD COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 103,889	\$ 131,830	\$ -	\$ -	\$ 235,719
Intergovernmental	21,375	177,479	-	30,069	228,923
Earnings on Investments	1,135	307	-	-	1,442
Miscellaneous	404	25,414	-	-	25,818
<i>Total Cash Receipts</i>	<u>126,803</u>	<u>335,030</u>	<u>-</u>	<u>30,069</u>	<u>491,902</u>
Cash Disbursements					
Current:					
General Government	69,438	32,527	-	-	101,965
Public Safety	-	99,239	-	-	99,239
Public Works	71,561	133,115	-	30,069	234,745
Health	7,515	-	-	-	7,515
Capital Outlay	-	38,141	-	-	38,141
Debt Service:					
Principal Retirement	-	12,991	-	-	12,991
Interest and Fiscal Charges	-	1,383	-	-	1,383
<i>Total Cash Disbursements</i>	<u>148,514</u>	<u>317,396</u>	<u>-</u>	<u>30,069</u>	<u>495,979</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(21,711)</u>	<u>17,634</u>	<u>-</u>	<u>-</u>	<u>(4,077)</u>
Other Financing Receipts					
Other Financing Sources	-	1,015	-	-	1,015
Other Financing Uses	-	(2,520)	-	-	(2,520)
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>(1,505)</u>	<u>-</u>	<u>-</u>	<u>(1,505)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(21,711)</u>	<u>16,129</u>	<u>-</u>	<u>-</u>	<u>(5,582)</u>
<i>Fund Cash Balances, January 1</i>	<u>112,664</u>	<u>177,489</u>	<u>1,212</u>	<u>-</u>	<u>291,365</u>
Fund Cash Balances, December 31					
Restricted	-	151,351	1,212	-	152,563
Committed	-	42,267	-	-	42,267
Assigned	61,449	-	-	-	61,449
Unassigned	29,504	-	-	-	29,504
<i>Fund Cash Balances, December 31</i>	<u>\$ 90,953</u>	<u>\$ 193,618</u>	<u>\$ 1,212</u>	<u>\$ -</u>	<u>\$ 285,783</u>

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

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019

Note 1-Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Chatfield Township, Crawford 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 and fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a jointly governed organization and a public entity risk pool. Notes 6 and 9 to the financial statements provides additional information for these entities.

Public Entity Risk Pool:

Ohio Township Association Risk Management Authority (OTARMA) – OTARMA provides property and casualty coverage for its members and pays judgments, settlements, and other expenses resulting from covered claims that exceed the deductible.

Jointly Governed Organization:

Central Joint Ambulance District – provides ambulance services for the Township

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.

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:

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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 Fund:

Gasoline Tax Fund – The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads with the Township.

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:

Ohio Public Works Commission Fund – This fund is used for Issue 1 grants for paving projects. In the year 2019, an Issue 1 grant was received in the amount of \$30,069.10. This was a joint grant with Crawford County Engineers office and various other Crawford County Townships.

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 (D). 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 (D) permit.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 2-Summary of Significant Accounting Policies (Continued)

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. Appropriations lapse at year-end.

Estimated Resources – Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and re-appropriated the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

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.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 2-Summary of Significant Accounting Policies (continued)

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.

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. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$137,801	\$126,803	(\$10,998)
Special Revenue	345,751	336,045	(9,706)
Debt Service	0	0	0
Capital Projects	30,100	30,069	(31)
Total	\$513,652	\$492,917	(\$20,735)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,117	\$148,514	\$47,603
Special Revenue	434,288	319,916	114,372
Debt Service	100	0	100
Capital Projects	30,100	30,069	31
Total	\$660,605	\$498,499	\$162,106

Note 4 – Deposits and Investments

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

	2019
Demand deposits	\$222,800
Total deposits	222,800
STAR Ohio	
Total investments	62,983
Total deposits and investments	\$285,783

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 4 – Deposits and Investments (continued)

Investments

Investments in STAR Ohio 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by February 5. If the property owner elects to pay semiannually, the first half is due February 5. The second half 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 of the Township.

Note 6 – Risk Management

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

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risksharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 6 – Risk Management (continued)

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2018, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

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, 2018. (The latest information available)

	2018
Assets	\$33,097,416
Liabilities	7,874,610
Net Position	\$25,222,806

At December 31, 2018 the liabilities above include approximately \$8 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2019, the Township's share of these unpaid claims collectible in future years is approximately \$5,917.

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.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 6 – Risk Management (continued)

2019 Contributions to OTARMA

\$ 13,149

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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 occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System All full time 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Social Security

Several Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contribution required through December 31, 2019.

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

Note 8 – Postemployment Benefits

OPERS offers 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 2019.

Note 9 – Jointly Governed Organization

The Central Joint Ambulance District is a jointly governed organization pursuant to Ohio Revised Code Section 505.71. The District provides ambulance services to the City of Bucyrus and twelve townships, including Chatfield Township. Each participant has one representative on the District’s board of directors. Financial information can be obtained from the Central Joint Ambulance District, 1957 State Route 19, Bucyrus, OH 44820.

Note 10 – Debt

On January 9, 2017 a five year Commercial Loan Agreement through the lender, Civista Bank, was signed for \$65,000 at an interest rate of 3.4%. The maturity date on this loan is 1-8-22. This loan was used for the purchase of a truck from Robertson Truck Sales for \$25,000 and the remainder of the loan was used for the customization of the said truck to utilize it as a Tanker Fire Truck for the Township. This work was done by Elliott Machine Works, Inc.

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

Year Ending	Fire Truck Loan
December 31:	
2020	\$14,374
2021	\$14,374
2020	\$14,374
TOTAL	\$43,122

Chatfield Township
Crawford County
Notes to the Financial Statements
For the year Ended December 31, 2019
(continued)

NOTE 11-GRANT REVENUE

On May 1, 2019 Chatfield Township received a grant from the Ohio Department of Commerce, (a joint grant with all fire departments in Crawford County). Chatfield Township's share of the grant was \$48,782.04. This covers the cost of purchases of Marcs radios for all Fire/EMS personnel and the annual dues for the Marcs radio service. These radios were purchased, programmed and were all in service by the go active date of October 1, 2019.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Chatfield Township, Crawford County, Ohio, (the Township) and have issued our report thereon dated September 17, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 financial statements. However, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 17, 2021

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material noncompliance / Material Weakness – Allocation of Employee Insurance Benefits	Fully Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



CHATFIELD TOWNSHIP

CRAWFORD 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 10/19/2021

88 East Broad 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