



**Auditor of State  
Betty Montgomery**



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

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**Auditor of State  
Betty Montgomery**

Brimfield Township  
Portage County  
1333 Tallmadge Road  
Kent, Ohio 44240

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 2, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Brimfield Township  
Portage County  
1333 Tallmadge Road  
Kent, Ohio 44240

To the Board of Trustees:

We have audited the accompanying financial statements of Brimfield Township, Portage County, (the Township) as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Government processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements presented for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Brimfield Township, Portage County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

June 2, 2006



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Governmental Fund Types</b>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>					
Local Taxes	\$443,956	\$1,532,814	\$125,559		\$2,102,329
Intergovernmental	166,568	299,991			466,559
Special Assessments		14,523			14,523
Charges for Services		175,856			175,856
Licenses, Permits, and Fees	94,197	12,274		\$2,400	108,871
Fines, Forfeitures, and Penalties		21,425			21,425
Earnings on Investments	11,252	400		147	11,799
Other Revenue	31,534	81,846			113,380
	<u>747,507</u>	<u>2,139,129</u>	<u>125,559</u>	<u>2,547</u>	<u>3,014,742</u>
Total Cash Receipts					
<b>Cash Disbursements:</b>					
Current:					
General Government	455,552	17,899			473,451
Public Safety		1,767,762			1,767,762
Public Works	87,185	260,125			347,310
Health		13,844			13,844
Human Services					0
Conservation - Recreation	24,569	6,235			30,804
Miscellaneous		15,144			15,144
Debt Service:					
Redemption of Principal		18,644	140,927		159,571
Interest and Fiscal Charges		3,261	24,262		27,523
Capital Outlay	22,916	96,172		23,638	142,726
	<u>590,222</u>	<u>2,199,086</u>	<u>165,189</u>	<u>23,638</u>	<u>2,978,135</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>157,285</u>	<u>(59,957)</u>	<u>(39,630)</u>	<u>(21,091)</u>	<u>36,607</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Bonds					
Sale of Notes	73,000	30,000			103,000
Other Proceeds from Sale of Public Debt					
Sale of Fixed Assets		281			281
Transfers-In		56,428	39,630		96,058
Advances-In	68,676	74,044			142,720
Transfers-Out	(96,058)				(96,058)
Advances-Out	(69,676)	(73,044)			(142,720)
Other Sources					
Other Uses					
	<u>(24,058)</u>	<u>87,709</u>	<u>39,630</u>		<u>103,281</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	133,227	27,752		(21,091)	139,888
Fund Cash Balances, January 1	8,318	260,116		25,608	294,042
<b>Fund Cash Balances, December 31</b>	<b><u>\$141,545</u></b>	<b><u>\$287,868</u></b>	<b><u>\$0</u></b>	<b><u>\$4,517</u></b>	<b><u>\$433,930</u></b>
Reserve for Encumbrances, December 31	<u>\$995</u>	<u>\$23,096</u>	<u>\$0</u>	<u>\$413</u>	<u>\$24,504</u>

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Nonexpendable Trust</u>	<u>Agency</u>	<u>Totals (Memorandum Only)</u>
<b>Operating Cash Receipts:</b>			
Earnings on Investments	\$19		\$19
Other Revenue	200		200
	<hr/>		<hr/>
Total Operating Cash Receipts	219	\$0	219
<b>Operating Cash Disbursements:</b>			
Current:			
Supplies and Materials	27		27
Miscellaneous		51,907	51,907
	<hr/>	<hr/>	<hr/>
Total Operating Cash Disbursements	27	51,907	51,934
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	192	(51,907)	(51,715)
<b>Other Financing Receipts and (Disbursements):</b>			
Miscellaneous		64,282	64,282
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)		64,282	64,282
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	192	12,375	12,567
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	1,386		1,386
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>1,578</b>	<b>\$12,375</b>	<b>13,953</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Local Taxes	\$406,682	\$1,180,294	\$136,359	\$0	\$1,723,335
Intergovernmental	146,323	270,286		24,782	441,391
Special Assessments	3,600	27,214			30,814
Charges for Services		153,985			153,985
Licenses, Permits, and Fees		46,128			46,128
Fines, Forfeitures, and Penalties		22,662			22,662
Earnings on Investments	4,997	254		527	5,778
Other Revenue	31,806	43,333		3,700	78,839
<b>Total Cash Receipts</b>	<b>593,408</b>	<b>1,744,156</b>	<b>136,359</b>	<b>29,009</b>	<b>2,502,932</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	370,848	26,139			396,987
Public Safety		1,606,316			1,606,316
Public Works	63,401	202,206			265,607
Health		16,501			16,501
Human Services					0
Conservation - Recreation	4,084				4,084
Miscellaneous		6,895			6,895
Debt Service:					
Redemption of Principal			145,833		145,833
Interest and Fiscal Charges			29,465		29,465
Capital Outlay		110,243		73,366	183,609
<b>Total Cash Disbursements</b>	<b>438,333</b>	<b>1,968,300</b>	<b>175,298</b>	<b>73,366</b>	<b>2,655,297</b>
Total Receipts Over/(Under) Disbursements	155,075	(224,144)	(38,939)	(44,357)	(152,365)
<b>Other Financing Receipts and (Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Bonds					
Sale of Notes		24,000			24,000
Other Proceeds from Sale of Public Debt					
Sale of Fixed Assets	639	14,637			15,276
Transfers-In		117,815	38,346		156,161
Advances-In	2,684	17,548			20,232
Transfers-Out	(156,161)				(156,161)
Advances-Out	(2,684)	(17,548)			(20,232)
Other Sources					
Other Uses					
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(155,522)</b>	<b>156,452</b>	<b>38,346</b>		<b>39,276</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(447)	(67,692)	(593)	(44,357)	(113,089)
Fund Cash Balances, January 1 (Restated - See Note 2)	8,765	327,808	593	69,965	407,131
<b>Fund Cash Balances, December 31</b>	<b>\$8,318</b>	<b>\$260,116</b>	<b>\$0</b>	<b>\$25,608</b>	<b>\$294,042</b>
Reserve for Encumbrances, December 31	\$995	\$23,096	\$0	\$413	\$24,504

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

BRIMFIELD TOWNSHIP  
PORTAGE COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>Nonexpendable Trust</b>	<b>Agency</b>	<b>Totals (Memorandum Only)</b>
<b>Operating Cash Receipts:</b>			
Earnings on Investments	16	\$0	16
Total Operating Cash Receipts	16		16
<b>Operating Cash Disbursements:</b>			
Current:			
Supplies and Materials	16		16
Miscellaneous		51,558	51,558
Total Operating Cash Disbursements	16	51,558	51,574
Total Receipts Over/(Under) Disbursements		(51,558)	(51,558)
<b>Other Financing Receipts and (Disbursements):</b>			
Miscellaneous		51,558	51,558
Total Other Financing Receipts/(Disbursements)		51,558	51,558
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements			
Fund Cash Balances, January 1	1,386		1,386
<b>Fund Cash Balances, December 31</b>	<b>\$1,386</b>	<b>\$0</b>	<b>\$1,386</b>

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Brimfield Township, Portage 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 protection, fire protection and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. Cash 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.

The Township invests in an overnight sweep account (repurchase agreement) at their banking institution which is valued at amounts reported by the bank.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Special Levy Fire Fund – This fund receives property tax money to provide fire protection to the residents of the township.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)**

Special Levy Police Fund – This fund receives property tax money to provide police protection to the residents of the Township.

Emergency Medical Services Fund – This fund receives charges for services for Emergency Medical activities for residents and non-residents.

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

**3. Debt Service Funds**

This fund accounts for resources the Township accumulates to pay bond and note debt.

General Bond Note Retirement - This fund receives property tax money for the retirement of the Townships general obligation debt.

**4. Capital Project Funds**

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds).

Permanent Improvement Fund - The Township used this fund to account for various road improvements.

**5. Fiduciary Funds (Trust and Agency Funds)**

These funds account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Motel Tax – The Township receives a tax on the gross income of the hotels and motels in the area, and remits twenty-five percent of this tax to the Central Portage County Visitors and Convention Bureau.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2005 and 2004 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. 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.

**2. PRIOR PERIOD RESTATEMENT**

During calendar year 2003, the Brimfield Park District was under the premise it was a separate legal entity. In 2005 it was determined that the Park District was not a separate legal entity and would have to be incorporated as department of the Township. The following is the adjustment required for this department:

	General Fund
Fund Cash Balances, December 31, 2003 (Before Adjustment)	\$835
Adjustments made by Township	<u>7,930</u>
Fund Cash Balances, January 1, 2004 (After adjustment)	<u><u>\$8,765</u></u>

**3. EQUITY IN POOLED CASH AND INVESTMENTS**

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)**

	2005	2004
Demand deposits	(\$8,881)	(\$27,276)
Repurchase Agreements	456,764	322,704
Total deposits and investments	\$447,883	\$295,428

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in the sweep account (Repurchase Agreements) are uninsured and unregistered investments for which the securities are held by the counter party or its trust department or agent but not in the Township's name.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$718,181	\$820,507	\$102,326
Special Revenue	2,563,015	2,225,838	(337,177)
Debt Service	169,237	165,189	(4,048)
Capital Projects	30,194	2,547	(27,647)
Total	\$3,480,627	\$3,214,081	(\$266,546)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$718,181	\$687,275	\$30,906
Special Revenue	2,563,015	2,222,182	340,833
Debt Service	169,237	165,189	4,048
Capital Projects	30,194	24,051	6,143
Total	\$3,480,627	\$3,098,697	\$381,930

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$629,374	\$594,047	(\$35,327)
Special Revenue	2,255,973	1,900,608	(355,365)
Debt Service	174,549	136,359	(38,190)
Capital Projects	94,953	29,009	(65,944)
Total	\$3,154,849	\$2,660,023	(\$494,826)



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**4. BUDGETARY ACTIVITY – (Continued)**

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$629,374	\$595,489	\$33,885
Special Revenue	2,255,973	1,991,396	264,577
Debt Service	174,549	175,298	(749)
Capital Projects	94,953	73,779	21,174
Total	<u>\$3,154,849</u>	<u>\$2,835,962</u>	<u>\$318,887</u>

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt 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 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**6. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes	\$464,312	4.13 % to 7.16 %

The general obligation notes were issued to finance the purchase of a fire truck, EMS Squad, fire truck refurbishing, international dump truck, financing SCBA's for the fire department, road improvements, police vehicle, EMS Squad, Back Hoe for road department, pick up truck for zoning, additional road improvements, and a One-Ton Truck. The twelve notes are collateralized solely by the Township's taxing authority.

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**6. DEBT – (Continued)**

Year ending December 31:	Ferrara Fire Truck	EMS Squad	Fire Tanker Truck and Refurbishing
2006	\$21,905	\$8,825	\$20,763
2007	21,905		19,722
2008			18,688
2009			17,638
2010			16,603
2011 - 2015			
Total	<u>\$43,810</u>	<u>\$8,825</u>	<u>\$93,414</u>

Year ending December 31:	International Dump Truck	SBCA's	Road Improvements
2006	\$12,690	\$13,380	\$13,890
2007		12,690	13,260
2008			12,630
2009			
2010			
2011 - 2015			
Total	<u>\$12,690</u>	<u>\$26,070</u>	<u>\$39,780</u>

Year ending December 31:	Police Vehicle	EMS Squad	Back-Hoe
2006	\$6,345	\$23,466	\$12,582
2007		23,466	12,582
2008		23,466	12,582
2009		23,466	6,291
2010		23,466	
2011 - 2015		23,466	
Total	<u>\$6,345</u>	<u>\$140,796</u>	<u>\$44,037</u>

Year ending December 31:	Ford Pick Up	Road Improvements	One-Ton Dump Truck
2006	\$9,365	\$8,315	\$13,030
2007	8,274	7,852	12,495
2008		7,393	11,826
2009		6,926	11,147
2010		6,463	10,474
2011 - 2015			
Total	<u>\$17,639</u>	<u>\$36,949</u>	<u>\$58,972</u>

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**7. RETIREMENT SYSTEMS**

The Township's certified full time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). All part time firefighters belong to the Social Security System. The Township's Police belong to Law Enforcement part of Ohio Public Employees Retirement System (OPERS). Other employees belong to the OPERS. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, members of OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. Those employees who contributed to Social Security contributed 6.2 percent of their gross salary and the Township contributed 6.2 percent of the employees gross salary. The Township has paid all contributions required through December 31, 2005.

**8. RISK POOL MEMBERSHIP**

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

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

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 2004 and 2003 (the latest information available):

BRIMFIELD TOWNSHIP  
PORTAGE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)

8. RISK POOL MEMBERSHIP- (Continued)

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>



## Auditor of State Betty Montgomery

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

Brimfield Township  
Portage County  
1333 Tallmadge Road  
Kent, Ohio 44240

To the Board of Trustees:

We have audited the financial statements of Brimfield Township (the Township) as of and for the year ended December 31, 2005 and 2004, and have issued our report thereon dated June 2, 2006 wherein we noted that the Government prepared its financial statements using accounting practices the Auditor of State established rather than accounting principles generally accepted in the United States of America. We also noted the Government uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated June 2, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated June 2, 2006, we reported other matters related to noncompliance we deemed immaterial.

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Brimfield Township  
Portage County  
Independent Accountants' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 2, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
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800-282-0370

Facsimile 614-466-4490

**BRIMFIELD TOWNSHIP**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 29, 2006**