



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

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, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2000 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 grants.

This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 9, 2000

BRIMFIELD TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$356,123	\$652,265	\$125,334		\$1,133,722
Intergovernmental	149,927	197,958		218,009	565,894
Special Assessments		12,887			12,887
Charges for Services		151,500			151,500
Licenses, Permits, and Fees	6,293	14,865			21,158
Fines, Forfeitures, and Penalties	17,242	3,098			20,340
Earnings on Investments	25,896	2,230		64	28,190
Other Revenue	12,219	29,902			42,121
Total Cash Receipts	<u>567,700</u>	<u>1,064,705</u>	<u>125,334</u>	<u>218,073</u>	<u>1,975,812</u>
Cash Disbursements:					
Current:					
General Government	211,485				211,485
Public Safety	50,642	955,966			1,006,608
Public Works	196,562	158,283			354,845
Health	28,264	15,032			43,296
Conservation - Recreation	1,646				1,646
Debt Service:					
Redemption of Principal			98,831		98,831
Interest and Fiscal Charges			26,197		26,197
Capital Outlay	34,330	55,951		224,048	314,329
Total Cash Disbursements	<u>522,929</u>	<u>1,185,232</u>	<u>125,028</u>	<u>224,048</u>	<u>2,057,237</u>
Total Receipts Over/(Under) Disbursements	<u>44,771</u>	<u>(120,527)</u>	<u>306</u>	<u>(5,975)</u>	<u>(81,425)</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Public Debt:					
Transfers-In		70,000		41,000	111,000
Advances-In		45,000			45,000
Transfers-Out	(111,000)				(111,000)
Advances-Out		(45,000)			(45,000)
Total Other Financing Receipts/(Disbursements)	<u>(111,000)</u>	<u>70,000</u>		<u>41,000</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(66,229)</u>	<u>(50,527)</u>	<u>306</u>	<u>35,025</u>	<u>(81,425)</u>
Fund Cash Balances, January 1	<u>306,425</u>	<u>352,000</u>	<u>2,793</u>	<u>2,912</u>	<u>664,130</u>
Fund Cash Balances, December 31	<u>\$240,196</u>	<u>\$301,473</u>	<u>\$3,099</u>	<u>\$37,937</u>	<u>\$582,705</u>
Reserve for Encumbrances, December 31	<u>\$12,213</u>	<u>\$34,291</u>			<u>\$46,504</u>

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

**BRIMFIELD TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Interest	\$23		\$23
Other		72,051	72,051
Total Operating Cash Receipts	<u>23</u>	<u>72,051</u>	<u>72,074</u>
Operating Cash Disbursements:			
Supplies and Materials		71,536	71,536
Other			
Total Operating Cash Disbursements		<u>71,536</u>	<u>71,536</u>
Operating Income/(Loss)	<u>23</u>	<u>515</u>	<u>538</u>
Net Receipts Over/(Under) Disbursements	23	515	538
Fund Cash Balances, January 1	<u>1,126</u>		<u>1,126</u>
Fund Cash Balances, December 31	<u>\$1,149</u>	<u>\$515</u>	<u>\$1,664</u>

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

BRIMFIELD TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$308,163	\$642,580	\$112,239		\$1,062,982
Intergovernmental	138,048	196,104			334,152
Special Assessments		12,195			12,195
Charges for Services		141,530			141,530
Licenses, Permits, and Fees	4,564	15,127			19,691
Fines, Forfeitures, and Penalties	19,933	3,072			23,005
Earnings on Investments	29,486	2,993		33	32,512
Other Revenue	72,346	29,019			101,365
Total Cash Receipts	<u>572,540</u>	<u>1,042,620</u>	<u>112,239</u>	<u>33</u>	<u>1,727,432</u>
Cash Disbursements:					
Current:					
General Government	186,336				186,336
Public Safety	18,004	834,132			852,136
Public Works	123,541	121,303			244,844
Health	22,596	15,548			38,144
Conservation - Recreation	2,752				2,752
Debt Service:					
Redemption of Principal			82,792		82,792
Interest and Fiscal Charges			28,826		28,826
Capital Outlay	86,867	145,082			231,949
Total Cash Disbursements	<u>440,096</u>	<u>1,116,065</u>	<u>111,618</u>		<u>1,667,779</u>
Total Receipts Over/(Under) Disbursements	<u>132,444</u>	<u>(73,445)</u>	<u>621</u>	<u>33</u>	<u>59,653</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sale of Public Debt:					
Sale of Notes	30,000	30,000			60,000
Transfers-In		55,000	50		55,050
Transfers-Out	(55,050)				(55,050)
Other Sources	1,479				1,479
Total Other Financing Receipts/(Disbursements)	<u>(23,571)</u>	<u>85,000</u>	<u>50</u>		<u>61,479</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	108,873	11,555	671	33	121,132
Fund Cash Balances, January 1	197,552	340,445	2,122	2,879	542,998
Fund Cash Balances, December 31	<u>\$306,425</u>	<u>\$352,000</u>	<u>\$2,793</u>	<u>\$2,912</u>	<u>\$664,130</u>
Reserve for Encumbrances, December 31	<u>\$7,297</u>	<u>\$30,948</u>			<u>\$38,245</u>

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

**BRIMFIELD TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Interest	\$32		\$32
Other		67,262	67,262
Total Operating Cash Receipts	<u>32</u>	<u>67,262</u>	<u>67,294</u>
Operating Cash Disbursements:			
Supplies and Materials	62	67,262	67,324
Other			
Total Operating Cash Disbursements	<u>62</u>	<u>67,262</u>	<u>67,324</u>
Operating Income/(Loss)	<u>(30)</u>		<u>(30)</u>
Net Receipts Over/(Under) Disbursements	(30)		(30)
Fund Cash Balances, January 1	<u>1,156</u>		<u>1,156</u>
Fund Cash Balances, December 31	<u>\$1,126</u>		<u>\$1,126</u>

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

**BRIMFIELD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Brimfield Township, Portage County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, 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 prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township pooled all money from the Governmental Funds into a money market demand account. The Township did not actually have any investment during our audit period.

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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The 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.

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

BRIMFIELD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds (Continued)

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

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to replace a culvert on Any Avenue.

5. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity.

E. Budgetary Process

The Ohio Revised Code requires that each fund 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.

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 canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1989 budgetary activity appears in Note 3.

BRIMFIELD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$584,369	\$665,256

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$491,373	\$567,700	\$76,327
Special Revenue	1,024,128	1,134,705	110,577
Debt Service	125,334	125,334	0
Capital Projects	249,471	259,073	9,602
Fiduciary	87,584	72,074	(15,512)
Total	\$1,977,890	\$2,158,886	\$180,994

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$790,340	\$646,142	\$144,198
Special Revenue	1,455,743	1,219,523	236,220
Debt Service	128,127	125,028	3,099
Capital Projects	291,382	224,048	67,334
Fiduciary	87,610	71,536	16,074
Total	\$2,753,202	\$2,286,277	\$466,925

**BRIMFIELD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$549,413	\$604,019	\$54,606
Special Revenue	1,051,964	1,127,620	75,656
Debt Service	111,419	112,289	870
Capital Projects	0	33	33
Fiduciary	85,035	67,294	(17,741)
Total	\$1,797,831	\$1,911,255	\$113,424

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$746,300	\$502,443	\$243,857
Special Revenue	1,437,500	1,147,013	290,487
Debt Service	113,541	111,618	1,923
Capital Projects	2,879	0	2,879
Fiduciary	85,091	67,324	17,767
Total	\$2,385,311	\$1,828,398	\$556,913

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half 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.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$357,156	various

**BRIMFIELD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

The general obligation notes were to finance the purchase of a new fire truck, building, EMS squad refurbish, cemetery property, and a police car.

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

Year ending December 31:	Fire Truck	Building	EMS Squad	Cemetery Property	Police Car
2000	37,732	46,891	48,000	18,000	10,000
2001	28,299	44,923	40,000	12,000	0
2002	18,866	42,945	32,000	6,000	0
2003	9,433	40,968	24,000	0	0
Subsequent	<u>0</u>	<u>75,985</u>	<u>24,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$94,330</u>	<u>\$94,330</u>	<u>\$188,660</u>	<u>\$36,000</u>	<u>\$10,000</u>

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

8. LONG-TERM ADVANCEMENT

On November 15, 1999, the Township approved a long-term advancement from the Special Revenue Fund, Beech Crest Street Lighting (2401) to the Special Revenue Fund, Hunter Ridge Development Lighting (2403) in the amount of \$45,000.

This advance is to be paid back over a period of five years, from the monies collected in property tax assessments, based on the actual collections for that year.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 9, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 9, 2000.

This report is intended for the information and use of management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 9, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JULY 18, 2000**