



**BRIGHTON TOWNSHIP
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Brighton Township
Lorain County
19996 Baird Road
Wellington, Ohio 44090

To the Board of Trustees:

We have audited the accompanying financial statements of Brighton Township, Lorain County, Ohio, (Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 described 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 of the Township as of December 31, 2000 and December 31, 1999, 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 March 23, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, the Board of Trustees, 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.

Jim Petro
Auditor of State

March 23, 2001

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**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$36,838	\$84,081	\$0	\$120,919
Intergovernmental	31,837	62,023	39,816	133,676
Fines, Licenses, and Permits	1,933	825	0	2,758
Earnings on Investments	7,259	1,329	0	8,588
Other Revenue	8,180	6,200	0	14,380
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	86,047	154,458	39,816	280,321
Cash Disbursements:				
Current:				
General Government	49,401	0	0	49,401
Public Safety	0	52,732	0	52,732
Public Works	1,221	81,016	0	82,237
Health	0	154	0	154
Conservation - Recreation	524	0	0	524
Miscellaneous	0	5,000	0	5,000
Capital Outlay	2,000	0	39,816	41,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	53,146	138,902	39,816	231,864
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	32,901	15,556	0	48,457
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	995	995
Transfers-Out	(995)	0	0	(995)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(995)	0	995	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	31,906	15,556	995	48,457
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	123,691	105,147	10,944	239,782
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	\$155,597	\$120,703	\$11,939	\$288,239

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

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$35,779	\$82,567	\$0	\$118,346
Intergovernmental	32,332	68,384	16,572	117,288
Fines, Licenses, and Permits	2,335	1,300	0	3,635
Earnings on Investments	7,172	1,444	0	8,616
Other Revenue	3,139	7,696	0	10,835
	<u>80,757</u>	<u>161,391</u>	<u>16,572</u>	<u>258,720</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	54,453	0	0	54,453
Public Safety	0	52,041	0	52,041
Public Works	1,033	78,503	16,572	96,108
Health	889	875	0	1,764
Miscellaneous	0	6,262	0	6,262
Capital Outlay	527	35,054	0	35,581
	<u>56,902</u>	<u>172,735</u>	<u>16,572</u>	<u>246,209</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>23,855</u>	<u>(11,344)</u>	<u>0</u>	<u>12,511</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	16	0	3,954	3,970
Transfers-Out	(3,954)	(16)	0	(3,970)
	<u>(3,938)</u>	<u>(16)</u>	<u>3,954</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	19,917	(11,360)	3,954	12,511
Fund Cash Balances, January 1	<u>103,774</u>	<u>116,507</u>	<u>6,990</u>	<u>227,271</u>
Fund Cash Balances, December 31	<u>\$123,691</u>	<u>\$105,147</u>	<u>\$10,944</u>	<u>\$239,782</u>

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

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Brighton Township, Lorain County, (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 and cemetery maintenance. The Lorain County Sheriff provides the Township with police protective services. Fire protective and ambulance services are provided by Wellington Community Fire District and the South Lorain County Ambulance District, respectively.

The Township participates in the Rural Lorain County Water Authority, the South Lorain County Ambulance District, the Wellington Community Fire District, and the Lorain County General Health District, as jointly-governed organizations, because a member of the Township Board of Trustees serves on the governing board of these organizations.

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

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is 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 trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Fire Levy Fund - This fund is used to account for property tax proceeds used to meet the Township's portion of the Wellington Community Fire District operations.

Ambulance Levy Fund - This fund is used to account for property tax proceeds used to meet the Township's portion of the South Lorain County Ambulance District operations.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project funds:

Public Works Project Fund - The Township received a grant from the Ohio Public Works Commission to resurface certain roads within the Township.

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 or function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The Lorain County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The 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. The Township did not encumber all commitments required by the Ohio Revised Code.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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.

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>2000</u>	<u>1999</u>
Demand deposits	\$184,827	\$139,782
Certificates of deposit	<u>103,412</u>	<u>100,000</u>
Total deposits	<u><u>\$288,239</u></u>	<u><u>\$239,782</u></u>

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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$85,889	\$86,047	\$158
Special Revenue	175,555	154,458	(21,097)
Capital Projects	<u>53,945</u>	<u>40,811</u>	<u>(13,134)</u>
Total	<u><u>\$315,389</u></u>	<u><u>\$281,316</u></u>	<u><u>(\$34,073)</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$219,094	\$54,141	\$164,953
Special Revenue	265,378	138,902	126,476
Capital Projects	<u>63,894</u>	<u>39,816</u>	<u>24,078</u>
Total	<u><u>\$548,366</u></u>	<u><u>\$232,859</u></u>	<u><u>\$315,507</u></u>

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,516	\$80,773	(\$4,743)
Special Revenue	170,729	161,391	(9,338)
Capital Projects	26,012	20,526	(5,486)
Total	<u>\$282,257</u>	<u>\$262,690</u>	<u>(\$19,567)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$200,092	\$60,856	\$139,236
Special Revenue	272,901	172,751	100,150
Capital Projects	33,002	16,572	16,430
Total	<u>\$505,995</u>	<u>\$250,179</u>	<u>\$255,816</u>

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 Ohio 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 of Ohio, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to Lorain 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.

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

Tangible personal property tax is assessed by the Lorain County Auditor. The property owners must file a list of such property with the Lorain County Auditor by each April 30.

Lorain County Auditor and Treasurer are responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. RETIREMENT SYSTEM

All employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**BRIGHTON TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

7. RESTATEMENT OF DECEMBER 31, 1998 FUND BALANCES

In prior years, the Township participated in joint projects with other townships. When Brighton Township was reimbursed by the participating townships, those reimbursements were posted to the General Fund rather than the fund originally charged with the expenditure. The December 31, 1998 fund balances are restated as follows:

	General Fund	Special Revenue Funds
Fund Balance, December 31, 1998	\$117,844	\$102,437
Restatement	<u>(14,070)</u>	<u>14,070</u>
Fund Balance, December 31, 1998 (Restated)	<u>\$103,774</u>	<u>\$116,507</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Brighton Township
Lorain County
19996 Baird Road
Wellington, Ohio 44090

To the Board of Trustees:

We have audited the financial statements of Brighton Township, Lorain County, Ohio (Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 23, 2001. 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 a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 23, 2001.

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 March 23, 2001.

Brighton Township
Lorain County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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.

Jim Petro
Auditor of State

March 23, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BRIGHTON TOWNSHIP

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 1, 2001**