



**Auditor of State  
Betty Montgomery**



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2003 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Types – For the Year Ended December 31, 2003 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2002 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Types – For the Year Ended December 31, 2002 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**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 (the Township) as of and for the years ended December 31, 2003 and 2002. 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 *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.

The Township's financial transactions were processed using 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 conduct the audit of the Township 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 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, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

Brimfield Township  
Portage County  
Report of Independent Accountants  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2004 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 audit committee, management, 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.

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

**Betty Montgomery**  
Auditor of State

March 17, 2004

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$355,754	\$1,194,347	\$95,914		\$1,646,015
Intergovernmental	138,093	228,500		276,827	643,420
Special Assessments		13,596			13,596
Charges for Services		173,948			173,948
Licenses, Permits, and Fees	1,153	23,149			24,302
Fines, Forfeitures, and Penalties		25,470			25,470
Earnings on Investments	4,909	239		466	5,614
Other Revenue	25,822	75,575			101,397
<b>Total Cash Receipts</b>	<u>525,731</u>	<u>1,734,824</u>	<u>95,914</u>	<u>277,293</u>	<u>2,633,762</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	374,316	20,654			394,970
Public Safety		1,542,237			1,542,237
Public Works	168,483	163,501			331,984
Health	1,250	37,408			38,658
Conservation - Recreation	4,283				4,283
Miscellaneous		4,522			4,522
Debt Service:					
Redemption of Principal		24,000	78,294		102,294
Interest and Fiscal Charges		6,455	17,733		24,188
Capital Outlay		69,608		328,755	398,363
<b>Total Cash Disbursements</b>	<u>548,332</u>	<u>1,868,385</u>	<u>96,027</u>	<u>328,755</u>	<u>2,841,499</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(22,601)</u>	<u>(133,561)</u>	<u>(113)</u>	<u>(51,462)</u>	<u>(207,737)</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes	60,000	18,000			78,000
Sale of Fixed Assets	56,274	4,194			60,468
Transfers-In		144,600		48,047	192,647
Advances-In		17,759	4,206		21,965
Transfers-Out	(192,647)				(192,647)
Advances-Out		(17,759)	(4,206)		(21,965)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(76,373)</u>	<u>166,794</u>	<u>0</u>	<u>48,047</u>	<u>138,468</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(98,974)</u>	<u>33,233</u>	<u>(113)</u>	<u>(3,415)</u>	<u>(69,269)</u>
<b>Fund Cash Balances, January 1 - See Note 2</b>	<u>99,808</u>	<u>294,576</u>	<u>706</u>	<u>73,380</u>	<u>468,470</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$834</u></u>	<u><u>\$327,809</u></u>	<u><u>\$593</u></u>	<u><u>\$69,965</u></u>	<u><u>\$399,201</u></u>
<b>Reserve for Encumbrances, December 31</b>	<u><u>\$15,939</u></u>	<u><u>\$8,522</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$24,461</u></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 - FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Nonexpendable Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Earnings on Investments	\$14		\$14
Miscellaneous	100		100
<b>Total Cash Receipts</b>	<b>114</b>		<b>114</b>
<b>Operating Cash Disbursements:</b>			
Supplies and Materials	13		13
Payment to Visitor's and Convention Bureau		58,967	58,967
<b>Total Cash Disbursements</b>	<b>13</b>	<b>58,967</b>	<b>58,980</b>
Operating Income / (Loss)	101	(58,967)	(58,866)
<b>Non - Operating Receipts</b>			
Hotel Motel Tax		58,967	58,967
<b>Total Non-Operating Receipts / Disbursements</b>		<b>58,967</b>	<b>58,967</b>
Net Receipts Over/(Under) Cash Disbursements	101		101
Fund Cash Balances, January 1	1,284		1,284
<b>Fund Cash Balances, December 31</b>	<b>\$1,385</b>	<b>\$0</b>	<b>\$1,385</b>

*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  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<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	\$343,870	\$1,119,693	\$100,473		\$1,564,036
Intergovernmental	155,737	262,771			418,508
Special Assessments		22,846			22,846
Charges for Services		132,336			132,336
Licenses, Permits, and Fees	874	21,705			22,579
Fines, Forfeitures, and Penalties		26,232			26,232
Earnings on Investments	7,901	561		833	9,295
Other Revenue	87,924	35,774			123,698
<b>Total Cash Receipts</b>	<b>596,306</b>	<b>1,621,918</b>	<b>100,473</b>	<b>833</b>	<b>2,319,530</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	344,594	8,446			353,040
Public Safety	15,530	1,337,126			1,352,656
Public Works	52,099	265,159			317,258
Health	5,093	36,723			41,816
Human Services					0
Conservation - Recreation	4,827				4,827
Other		6,473			6,473
Capital Outlay		169,866		48,168	218,034
Miscellaneous					
Debt Service:					
Redemption of Principal		12,000	78,845		90,845
Interest and Fiscal Charges		5,464	21,489		26,953
<b>Total Cash Disbursements</b>	<b>422,143</b>	<b>1,841,257</b>	<b>100,334</b>	<b>48,168</b>	<b>2,411,902</b>
Total Receipts Over/(Under) Disbursements	174,163	(219,339)	139	(47,335)	(92,372)
<b>Other Financing Receipts and (Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes		60,000			60,000
Transfers-In		94,000		26,000	120,000
Advances-In		90,000			90,000
Transfers-Out	(120,000)				(120,000)
Advances-Out		(90,000)			(90,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(120,000)</b>	<b>154,000</b>		<b>26,000</b>	<b>60,000</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	54,163	(65,339)	139	(21,335)	(32,372)
Fund Cash Balances, January 1	46,160	359,914	567	94,715	501,356
<b>Fund Cash Balances, December 31</b>	<b>\$100,323</b>	<b>\$294,575</b>	<b>\$706</b>	<b>\$73,380</b>	<b>\$468,984</b>
Reserve for Encumbrances, December 31	\$477	\$40,436	\$0	\$5,000	\$45,913

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 - FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Fiduciary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Nonexpendable Trust</b>	<b>Agency</b>	
<b>Operating Cash Receipts:</b>			
Earnings on Investments	\$11		\$11
Miscellaneous	175		175
<b>Total Cash Receipts</b>	<b>186</b>		<b>186</b>
<b>Operating Cash Disbursements:</b>			
Supplies and Materials	15		15
Other		60,884	60,884
<b>Total Cash Disbursements</b>	<b>15</b>	<b>60,884</b>	<b>60,899</b>
Operating Income / (Loss)	171	(60,884)	(60,713)
<b>Non - Operating Receipts</b>			
Hotel Motel Tax		60,031	60,031
<b>Total Non-Operating Receipts / Disbursements</b>		<b>60,031</b>	<b>60,031</b>
Net Receipts Over/(Under) Cash Disbursements	171	(853)	(682)
Fund Cash Balances, January 1	1,113	853	1,966
<b>Fund Cash Balances, December 31</b>	<b>\$1,284</b>	<b>\$0</b>	<b>\$1,284</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, 2003 AND 2002**

**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 road and bridge maintenance, cemetery maintenance, fire protection, emergency medical services, and police 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**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Township pools all monies in an overnight repurchase agreement with Second National Bank. Second National Bank maintains adequate collateral for the Township's deposits with the Federal Reserve 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**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.

*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**

The debt service fund is used to accumulate resources for the payment of 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 funds:

*Issue II Fund* - The Township received grants from the State of Ohio to replace culverts and pave various township roads.

*Community Building* – The Township received a grant from the State of Ohio to build a community building.

**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. 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.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**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 carried over, and need not be reappropriated.

A summary of 2003 and 2002 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.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. PRIOR PERIOD RESTATEMENT**

During the two years ending December 31, 2003, the Township made adjusting entries within the financial system which had an affect on the financial statement presentation. The following is a schedule reflecting the adjustments to the financial system which had an affect on tying prior period balances to current year's balances to begin the calendar year 2002 and 2003:

	General Fund	Special Revenue Fund
Fund Cash Balances, December 31, 2001 (Before Adjustment)	\$43,504	\$354,098
Adjustments made by Township	2,656	5,816
Fund Cash Balances, January 1, 2002 (After adjustment)	\$46,160	\$359,914

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

The Township maintains a cash and investment 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:

	2003	2002
Demand deposits	(\$48,822)	(\$45,173)
Repurchase agreement	449,408	514,441
Total deposits and investments	\$400,586	\$469,268

**Deposits:** The Township uses a local bank to help manage the Township's investments. Each night the available bank balance over \$15,000 is swept into an overnight investment in United States Treasury Notes. The \$15,000 remaining on deposit is either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The negative balances presented above are caused by the investments of available moneys on deposit at the bank which includes checks that have been issued by the Township, but not been presented for payment and a overdraft does not actually exist.

**Investments:** The repurchase agreement is an uninsured and unregistered investment for which the securities are held by the bank or by its trust department or agent but not in the Townships name.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$564,175	\$642,005	\$77,830
Special Revenue	1,583,215	1,901,618	318,403
Debt Service	95,915	95,914	(1)
Capital Projects	314,200	325,340	11,140
Fiduciary	65,016	59,081	(5,935)
Total	\$2,622,521	\$3,023,958	\$401,437

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$808,059	\$756,918	\$51,141
Special Revenue	2,020,807	1,876,907	143,900
Debt Service	96,614	96,027	587
Capital Projects	422,750	328,755	93,995
Fiduciary	65,025	58,980	6,045
Total	\$3,413,255	\$3,117,587	\$295,668

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$508,503	\$596,306	\$87,803
Special Revenue	1,467,550	1,775,918	308,368
Debt Service	100,473	100,473	0
Capital Projects	458,900	26,833	(432,067)
Fiduciary	75,022	60,217	(14,805)
Total	\$2,610,448	\$2,559,747	(\$50,701)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$681,448	\$542,620	\$138,828
Special Revenue	1,953,416	1,881,693	71,723
Debt Service	101,040	100,334	706
Capital Projects	480,091	53,168	426,923
Fiduciary	65,889	60,899	4,990
Total	\$3,281,884	\$2,638,714	\$643,170

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding 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.

**6. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Total General Obligation Notes	\$385,949	4.98% - 6.50%

The general obligation notes were issued to finance the purchase of a new fire truck, building, EMS squad refurbishing, fire truck refurbishing, cemetery property, a dump truck, a pick up truck for the fire department, financing SCBA's for the fire department, road improvements, and a police vehicle. The ten notes are collateralized solely by the Township's taxing authority.

The following debt schedule reflects payments made and balances at December 31, 2003

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

Year Ending December 31:	Building	EMS Squad	Dump Truck	Fire Pick Up	Refurbishing Fire Vehicles
2004	\$38,990	\$9,140	\$14,100	\$4,595	\$23,888
2005	36,995	8,760	12,933	4,397	22,866
2006		8,380	13,167	4,198	21,805
2007					20,763
2008					19,722
2009 - 2013					52,931
Total	<u>\$75,985</u>	<u>\$26,280</u>	<u>\$40,200</u>	<u>\$13,190</u>	<u>\$161,975</u>



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. DEBT (Continued)**

<u>Year Ending December 31:</u>	<u>Road Improvements</u>	<u>Police Car</u>	<u>Breathing Aparatus'</u>
2004	\$15,150	\$7,035	\$15,450
2005	14,520	6,690	14,760
2006	13,890	6,345	14,070
2007	13,260		13,380
2008	12,630		12,690
2009 - 2013			
Total	<u>\$69,450</u>	<u>\$20,070</u>	<u>\$70,350</u>

**7. RETIREMENT SYSTEMS**

The Township's full time certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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 2003 and 2002, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2003.

The Township has paid all contributions required through December 31, 2003.

**8. RISK MANAGEMENT**

**Risk Pool Membership**

The Township 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 Insurance

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, which the General Reinsurance Corporation will reinsure.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**8. RISK MANAGEMENT (Continued)**

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. The Travelers Indemnity Company reinsures specific losses exceeding up \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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 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: (Please note this is the most recent information available).

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	9,197,512	9,379,003
Retained Earnings	\$14,559,524	\$14,324,773
<u>Property Coverage</u>		
Assets	\$6,596,996	\$5,011,131
Liabilities	1,204,326	647,667
Retained Earnings	\$5,392,670	\$4,363,464



## Auditor of State Betty Montgomery

### 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 financial statements of Brimfield Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 17, 2004 wherein we noted that the Township's financial transactions were processed using 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 conduct the audit of 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.

#### 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 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 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 17, 2004.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 17, 2004.

Brimfield Township  
Portage County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the management, the Audit Committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 17, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
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  
APRIL 22, 2004**