



**Auditor of State  
Betty Montgomery**



**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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**Auditor of State  
Betty Montgomery**

Brookfield Township  
Trumbull County  
6844 Strimbu Drive  
Brookfield, Ohio 44403

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.

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**Betty Montgomery**  
Auditor of State

June 23, 2006

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Brookfield Township  
Trumbull County  
6844 Strimbu Drive  
Brookfield, Ohio 44403

To the Board of Trustees:

We have audited the accompanying financial statements of Brookfield Township, Trumbull 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. 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 present 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.

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 Brookfield Township, Trumbull 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 23, 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 23, 2006



**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary</u>	
<b>Cash Receipts:</b>				
Taxes	\$48,324	\$1,567,793		\$1,616,117
Charges for Services		394,506		394,506
Licenses, Permits, and Fees		37,499		37,499
Fines and Forfeitures	3,324	2,592		5,916
Intergovernmental Receipts	297,564	309,228		606,792
Special Assessments		44,874		44,874
Interest	7,126	1,782		8,908
All Other Revenue	97,373	41,969		139,342
Gifts				
<b>Total Cash Receipts</b>	<u>453,711</u>	<u>2,400,243</u>		<u>2,853,954</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	218,163	832		218,995
Public Safety	5,000	1,854,780		1,859,780
Public Works	181,916	387,499		569,415
Health	36,676	39,158		75,834
Conservation - Recreation	17,957		\$1,905	19,862
Miscellaneous		102,544		102,544
Capital Outlay	5,960	5,261		11,221
Debt Service:				
Principal Payments		93,061		93,061
Interest Payments		21,351		21,351
Supplies and Materials		31,416		31,416
<b>Total Cash Disbursements</b>	<u>465,672</u>	<u>2,535,902</u>	<u>1,905</u>	<u>3,003,479</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(11,961)</u>	<u>(135,659)</u>	<u>(1,905)</u>	<u>(149,525)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In	13,000	39,553		52,553
Advances-Out	(39,553)	(13,000)		(52,553)
Other Sources	3,292	65,291	2,779	71,362
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(23,261)</u>	<u>91,844</u>	<u>2,779</u>	<u>71,362</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(35,222)	(43,815)	874	(78,163)
Fund Cash Balances, January 1	134,710	255,637	14,835	405,182
<b>Fund Cash Balances, December 31</b>	<u><u>\$99,488</u></u>	<u><u>\$211,822</u></u>	<u><u>\$15,709</u></u>	<u><u>\$327,019</u></u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$20,742</u>	<u>\$0</u>	<u>\$20,742</u>

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

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary</u>	
<b>Cash Receipts:</b>				
Taxes	\$48,845	\$1,343,716		\$1,392,561
Charges for Services		476,821		476,821
Licenses, Permits, and Fees		23,838		23,838
Fines and Forfeitures	162	5,129		5,291
Intergovernmental Receipts	306,144	273,644		579,788
Special Assessments		21,217		21,217
Interest	4,830	1,163		5,993
All Other Revenue	80,926	151,579		232,505
Gifts		625	1,000	1,625
<b>Total Cash Receipts</b>	<u>440,907</u>	<u>2,297,732</u>	<u>1,000</u>	<u>2,739,639</u>
<b>Cash Disbursements:</b>				
General Government	301,021	15,368		316,389
Public Safety	45,434	1,739,249		1,784,683
Public Works	208,078	315,791		523,869
Health	32,177	40,814		72,991
Conservation - Recreation	23,079		416	23,495
Miscellaneous		313,726		313,726
Capital Outlay	40,691	7,128		47,819
Debt Service:				
Principal Payments		101,882		101,882
Interest Payments		16,512		16,512
Supplies and Materials		12,295		12,295
<b>Total Cash Disbursements</b>	<u>650,480</u>	<u>2,562,765</u>	<u>416</u>	<u>3,213,661</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(209,573)</u>	<u>(265,033)</u>	<u>584</u>	<u>(474,022)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Proceeds of Notes		325,000		325,000
Other Uses			(2)	(2)
Other Sources		8,100	875	8,975
<b>Total Other Financing Receipts/(Disbursements)</b>		<u>333,100</u>	<u>873</u>	<u>333,973</u>
<b>Excess of Cash Receipts and Other Financing and Other Financing Disbursements</b>	<u>(209,573)</u>	<u>68,067</u>	<u>1,457</u>	<u>(140,049)</u>
<b>Fund Cash Balances, January 1</b>	<u>344,283</u>	<u>187,570</u>	<u>13,378</u>	<u>545,231</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$134,710</b></u>	<u><b>\$255,637</b></u>	<u><b>\$14,835</b></u>	<u><b>\$405,182</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$5,817</b></u>	<u><b>\$0</b></u>	<u><b>\$1,905</b></u>	<u><b>\$7,722</b></u>

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

**BROOKFEILD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIALS 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 Brookfield Township, Trumbull 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 and 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 values repurchase agreements at cost.

**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:

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

**BROOKFEILD TOWNSHIP  
TRUMBULL COUNTY**

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

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

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

Fire District Fund - This fund receives property tax money to pay for the general operation of the fire department.

Police District Fund - This fund receives property tax money for police protection and services for citizens of the Township.

Ambulance and Emergency Service Fund – This fund receives charges for services to finance the operation of the ambulance/medical services provided by the Township.

**4. Fiduciary Funds (Trust Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Senior Citizen Van Trust Fund - This fund receives donations to help support services provided by the senior citizen van.

**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 re-appropriated.

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

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

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

**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. EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investment 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:

	2005	2004	
Demand deposits	(\$85,645)	(\$90,350)	
Total deposits	(85,645)	(90,350)	
Repurchase agreement	412,664	495,532	
Total investments	412,664	495,532	
Total deposits and investments	\$327,019	\$405,182	

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

**Investments:** The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$425,337	\$457,003	\$31,666
Special Revenue	2,248,025	2,465,534	217,509
Fiduciary	3,147	2,779	(368)
Total	\$2,676,509	\$2,925,316	\$248,807

**BROOKFEILD TOWNSHIP  
TRUMBULL COUNTY**

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

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

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$554,364	\$465,672	\$88,692
Special Revenue	2,505,036	2,556,644	(51,608)
Fiduciary	17,343	1,905	15,438
Total	<u>\$3,076,743</u>	<u>\$3,024,221</u>	<u>\$52,522</u>

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$401,490	\$440,907	\$39,417
Special Revenue	2,385,484	2,630,832	245,348
Fiduciary	1,210	1,875	665
Total	<u>\$2,788,184</u>	<u>\$3,073,614</u>	<u>\$285,430</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$745,773	\$656,297	\$89,476
Special Revenue	2,583,250	2,562,765	20,485
Fiduciary	14,587	2,323	12,264
Total	<u>\$3,343,610</u>	<u>\$3,221,385</u>	<u>\$122,225</u>

**4. 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.

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Notes - Fire Hall	\$60,131	5.50%
General Obligation Notes - Road	29,258	4.70%
General Obligation Notes - Fire/EMS Bldg	<u>260,418</u>	4.50%
Total	<u><u>\$349,807</u></u>	

The general obligation notes were issued to finance the purchase of a fire hall, a road improvement project, and a Fire/EMS building. The Township's taxing authority collateralized the notes.

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

Year ending December 31:	<u>Fire Hall</u>	<u>Breeze Lakes Drive</u>	<u>Fire/EMS Building</u>
2006	\$63,269	\$10,335	\$39,553
2007		\$9,896	39,553
2008		12,297	39,553
2009			39,553
2010			39,553
2011-2012			<u>126,066</u>
Total	<u><u>\$63,269</u></u>	<u><u>\$32,528</u></u>	<u><u>\$323,830</u></u>

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (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 contributed 10% 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, except members in law enforcement, who contributed 10.1 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries to OPERS. The Township has paid all contributions required through December 31, 2005.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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

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**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***

Brookfield Township  
Trumbull County  
6844 Strimbu Drive  
Brookfield, Ohio 44403

To the Board of Trustees:

We have audited the financial statements of Brookfield Township (the Township) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 23, 2006, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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*.

**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 23, 2006, we reported a matter involving internal control over financial reporting which we did not deem a reportable condition.

**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 23, 2006, we reported a matter related to noncompliance we deemed immaterial.

Brookfield Township  
Trumbull 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 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 23, 2006



**Auditor of State  
Betty Montgomery**

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**BROOKFIELD TOWNSHIP**

**TRUMBULL 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  
AUGUST 3, 2006**