



OHIO AUDITOR OF STATE
KEITH FABER



**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Brimfield Township
Portage County
1333 Tallmadge Road
Kent, Ohio 44240

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Brimfield Township, Portage County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Brimfield Township, Portage County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

November 18, 2019

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$ 523,805	\$ 3,777,468	\$ 65,191	\$ -	\$ 4,366,464
Charges for Services	-	212,840	-	-	212,840
Licenses, Permits, and Fees	180,455	19,057	-	-	199,512
Fines and Forfeitures	-	35,050	-	-	35,050
Intergovernmental	150,245	1,546,618	-	-	1,696,863
Special Assessments	-	4,856	-	-	4,856
Miscellaneous	113,227	140,045	-	-	253,272
Total Cash Receipts	967,732	5,735,934	65,191	-	6,768,857
Cash Disbursements:					
Current:					
General Government	808,644	135,495	-	-	944,139
Public Safety	-	3,416,460	-	-	3,416,460
Public Works	-	966,776	-	-	966,776
Health	-	23,951	-	-	23,951
Conservation-Recreation	55,950	-	-	-	55,950
Other	-	6,739	-	-	6,739
Capital Outlay	-	215,663	-	564,966	780,629
Debt Service:					
Redemption of Principal	36,342	109,578	67,651	-	213,571
Interest and Other Fiscal Charges	3,621	47,757	10,551	-	61,929
Total Cash Disbursements	904,557	4,922,419	78,202	564,966	6,470,144
Total Receipts Over/(Under) Disbursements	63,175	813,515	(13,011)	(564,966)	298,713
Other Financing Receipts/(Disbursements):					
Sale of Bonds	-	-	-	432,000	432,000
Other Debt Proceeds	-	-	-	132,966	132,966
Advances-In	382,300	346,300	-	-	728,600
Advances-Out	(346,300)	(382,300)	-	-	(728,600)
Other Financing Uses	(92,215)	(46,289)	-	-	(138,504)
Total Other Financing Receipts/(Disbursements)	(56,215)	(82,289)	-	564,966	426,462
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	6,960	731,226	(13,011)	-	725,175
Fund Cash Balance, January 1	180,340	1,137,181	114,513	-	1,432,034
Fund Cash Balance, December 31					
Restricted	-	1,868,407	101,502	-	1,969,909
Assigned	187,300	-	-	-	187,300
Fund Cash Balance, December 31	\$ 187,300	\$ 1,868,407	\$ 101,502	\$ -	\$ 2,157,209

See the accompanying notes

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Fiduciary Fund Types
	Agency
Operating Cash Receipts:	
Miscellaneous	\$ -
Total Operating Cash Receipts	-
Operating Cash Disbursements:	
Current:	
Purchased Services	106,455
Total Operating Cash Disbursements	106,455
Operating Income/(Loss)	(106,455)
Non-Operating Receipts/Disbursements	
Property and Other Local Taxes	91,351
Total Non-Operating Receipts/Disbursements	91,351
Income/(Loss)	(15,104)
Fund Cash Balance, January 1	21,915
Fund Cash Balance, December 31	\$ 6,811

See the accompanying notes

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Brimfield Township, Portage County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services.

Joint Ventures and Public Entity Risk Pool

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in two joint ventures and one public entity risk pool. Notes 10 and 11 to the financial statements provide additional information for these entities, which are;

Joint Venture – The Brimfield-Kent Joint Economic Development District (JEDD) – In April 2005, the Brimfield Township Board of Trustees approved the formation of this JEDD with the City of Kent. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Kent. The Township received \$77,054 in 2018, of which a portion is applied to the Capital Maintenance fund for the JEDD.

Joint Venture – The Brimfield-Tallmadge Joint Economic Development District (JEDD) – In March 2003, the Brimfield Township Board of Trustees approved the formation of this JEDD with the City of Tallmadge. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.77 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Tallmadge. The Township received \$719,087 in 2018, of which a portion is applied to the Capital Maintenance fund for the JEDD.

Public Entity Risk Pool – Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

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

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Special Levy Fire Fund – This fund receives property tax money for the support of the Fire Department for the Township.

Ambulance and Emergency Medical Fund – This fund receives property tax money as well as charges for services to support services provided to the residents of the Township.

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

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

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

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

General Note Retirement Fund – This fund receives property tax money for the retirement of the Township's general obligation debt.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Permanent Improvement Fund – The Township received a loan for renovations to the Police Station.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust funds are for the benefit of certain individuals as they are cemetery bequest funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for a tax on the gross income of the hotels and motels in the area, of which the Township remits twenty-five percent to the Central Portage County Visitors and Convention Bureau.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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. Unencumbered appropriations lapse at year-end.

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 approve estimated resources.

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 2018 budgetary activity appears in Note 3.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Deposits 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.

Capital Assets

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

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 938,531	\$ 1,350,032	\$ 411,501
Special Revenue	5,720,446	6,082,234	361,788
Debt Service	65,192	65,191	(1)
Capital Project	8,670	564,966	556,296
Total	\$ 6,732,839	\$ 8,062,423	\$ 1,329,584
Fund Type	Authority	Expenditures	Variance
General	\$ 1,140,572	\$ 1,439,600	\$ (299,028)
Special Revenue	6,686,008	5,852,393	833,615
Debt Service	179,705	78,202	101,503
Capital Project	432,000	564,966	(132,966)
Total	\$ 8,438,285	\$ 7,935,161	\$ 503,124

*The budgetary basis expenditures presented in the tables above include encumbrances outstanding at year-end.

Appropriation authority amounts are as approved by the Board of Trustees.

4. Deposits

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was \$2,164,020.

Deposits

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

5. PROPERTY TAXES

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

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

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

6. DEBT

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
G.O. Bonds- Land Acquisition	\$ 432,000	4.39%
USDA Loan - Police Building	1,297,100	3.375%
USDA Loan - Fire Truck	176,700	3.50%
Total	\$ 1,905,800	

During 2018, the Township issued a \$432,000 land acquisition bond through Key Bank for the purchase of land located within the Township. The bond will mature on November 1, 2028 and bears an original interest rate of 4.39 percent.

The Township in 2012 was the recipient of two USDA loans, one for the construction of a new Police Station in the amount \$1,460,000 and the second for the purchase of a Fire Truck in the amount of \$400,000. The USDA issues bonds that the Township is obligated to repay. The Police Station loan is a 30 year debt with the first year payment in 2013 of interest only. The Fire Truck issue is a 10 year issue based on the useful life estimate of the Fire Truck, with the first payment due in 2013.

The Township's taxing authority collateralized all the outstanding debt.

Principal and interest requirements to retire the debt outstanding at December 31, 2018, are as follows:

Year Ended December 31,	USDA - Police Station		
	Principal	Interest	Total
2019	\$ 35,900	\$ 43,777	\$ 79,677
2020	37,100	42,566	79,666
2021	38,500	41,313	79,813
2022	39,700	40,014	79,714
2023	41,000	38,674	79,674
2024-42	1,104,900	409,789	1,514,689
Total	\$ 1,297,100	\$ 616,133	\$ 1,913,233

Year Ended December 31,	Land Acquisition Bond			USDA - Fire Truck		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 35,336	\$ 17,542	\$ 52,878	\$ 42,000	\$ 6,185	\$ 48,185
2020	36,887	17,414	54,301	43,300	4,715	48,015
2021	38,507	15,794	54,301	44,900	3,199	48,099
2022	40,197	14,104	54,301	46,500	1,628	48,128
2023	41,962	12,339	54,301	-	-	-
2022-2027	239,111	32,392	271,503	-	-	-
Total	\$ 432,000	\$ 109,585	\$ 541,585	\$ 176,700	\$ 15,727	\$ 192,427

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

7. CAPITAL LEASES

During 2018, the Township entered into a lease/purchase with Key Government Finance for the lease/purchase of a Bobcat, in the amount of \$63,695 at 4.89% interest for 5 years.

During 2018, the Township entered into a lease/purchase for a K-9 and detective vehicle, in the amount of \$69,271 for 3 years at 7.79%.

During 2016, the Township entered into a lease/purchase for Equipment in the amount of \$187,250 for 5 years.

During 2017, the Township entered into a lease/purchase for a Police Cruisers and a Ford Expedition in the amount of \$110,671 and \$30,764 for 3 years.

During 2014, the Township entered into a lease/purchase for a Road Machine, in the amount of \$56,673 for 5 years.

The following is a schedule of the future minimum lease payments required under the capital lease.

<u>December 31,</u>	<u>Equipment</u>	<u>Cruisers</u>	<u>Expedition</u>	<u>Lease</u>	<u>Vehicles</u>	<u>Machine</u>
2019	\$ 39,963	\$ 38,578	\$ 11,041	\$ 14,069	\$ 38,578	\$ 11,580
2020	39,963	-	-	14,069	-	-
2021	-	-	-	14,069	-	-
2022	-	-	-	14,069	-	-
Total	<u>79,926</u>	<u>38,578</u>	<u>11,041</u>	<u>56,276</u>	<u>38,578</u>	<u>11,580</u>
Less: Amount Representing Interest	3,697	1,580	743	6,389	1,580	486
Present Value of Minimum Lease	<u>\$ 76,229</u>	<u>\$ 36,998</u>	<u>\$ 10,298</u>	<u>\$ 49,887</u>	<u>\$ 36,998</u>	<u>\$ 11,094</u>

8. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2018.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

10. JOINT VENTURES

The Brimfield-Kent Joint Economic Development District (JEDD) – The Brimfield-Kent Joint Economic Development District was a contract entered into by Brimfield Township and the City of Kent in April 2005, in accordance with Ohio Revised Code Sections 715.72 through 715.83 for their mutual benefit and for the benefit of their residents.

The JEDD was created to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Kent. The Township and the City each agreed to contribute to the development and operation of the District. The land of the JEDD is situated within the Township limits, and utility services are provided by the City. A mutual aid agreement between the Township and City for police and fire protection will be maintained for the District. A five member appointed Board of Directors as provided by Ohio Revised Code Section 715.78(A)(1)(a) through (e) is appointed to govern the District. The Township and City adopt by-laws for the regulation of the affairs of the Board and the conduct of business.

The JEDD Board adopted a resolution at its first meeting to levy an income tax in the District at the following rates:

<u>Years</u>	<u>Income Tax Rate</u>
2009-2011	0.75%
2012-2014	1.00%
2015-2018	1.25%
2019-2021	1.50%
2022-2024	1.75%
2025-2028	2%

The City of Kent administers, collects and enforces the income tax on behalf of the District.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Under the terms of the agreement, the Township establishes the Brimfield-Kent Maintenance and Improvement Fund (#2194) for the purpose of paying costs of maintenance and permanent improvements within the District. The District is required to set aside 0.5 percent of the income tax collected each year into this Maintenance and Improvement Fund. Once the amount of revenue to be held in this fund is determined, and all obligations of the District are met, the remaining income tax revenues shall be distributed to the Township and the City at 45 percent and 55 percent, respectively. The JEDD's financial statements can be obtained by contacting the City of Kent's Finance Department.

The Brimfield-Tallmadge Joint Economic Development District (JEDD) – The Brimfield-Tallmadge Joint Economic Development District was a contract entered into by Brimfield Township and the City of Tallmadge in March 2003, in accordance with Ohio Revised Code Sections 715.72 through 715.77 for their mutual benefit and the for the benefit of their residents.

The JEDD was created to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Tallmadge. The Township and the City each agreed to contribute to the development and operation of the District.

The land of the JEDD is situated within the Township limits, and utility services are provided by the City. A mutual aid agreement between the Township and City for police and fire protection will be maintained for the District. A five member appointed Board of Directors as provided by Ohio Revised Code Section 715.78(A)(1)(a) through (e) is appointed to govern the District.

One member representing the City and appointed by the Mayor, one member representing the Township and appointed by the Township Trustees, one member who is a business owner in the JEDD representing the business owners in the JEDD and appointed by the Township Trustees, one member who is a person employed within the JEDD and appointed by the Mayor with confirmation of City Council and one member selected by unanimous vote of all members appointed at the time. The Township and City adopt by-laws for the regulation of the affairs of the Board and the conduct of business.

The JEDD Board adopted a resolution at its first meeting to levy an income tax in the District at the rate not to exceed the highest rate levied by the City of Tallmadge, currently two percent. The income tax will be collected and shared as follows:

The split shall be 55 percent for Tallmadge and 45 percent for Brimfield Township. The City and the Township will each contribute 5% of the total (1/2 of the 10% MCI Fund) JEDD funds to be designated for the "Maintenance and Capital Improvement Fund", to be administered by the Township and used in the JEDD area of the Township. The intent is that 10% of the total JEDD revenue collected be contributed equally, 1/2 by Tallmadge, and 1/2 by Brimfield.

The City of Tallmadge administers, collects and enforces the income tax on behalf of the District.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

11. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the pool and provides underwriting, claims, loss control, risk management, and reinsurance services for the Pool.

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 and Property Coverage

The Pool is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2018, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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 net position at December 31, 2018.

	<u>2018</u>
Assets	\$ 41,593,920
Liabilities	<u>(8,700,787)</u>
Net Position	<u><u>\$ 32,893,133</u></u>

At December 31, 2018, the liabilities noted above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Township's share of these unpaid claims collectible in future years is approximately \$28,000.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2018	\$63,802
------	----------

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

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**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$ 568,589	\$ 3,758,996	\$ 82,900	\$ -	\$ 4,410,485
Charges for Services	-	215,049	-	-	215,049
Licenses, Permits, and Fees	150,649	25,453	-	-	176,102
Fines and Forfeitures	-	37,762	-	-	37,762
Intergovernmental	150,747	1,381,627	-	-	1,532,374
Special Assessments	-	6,371	-	-	6,371
Miscellaneous	86,585	120,632	-	-	207,217
Total Cash Receipts	956,570	5,545,890	82,900	-	6,585,360
Cash Disbursements:					
Current:					
General Government	833,325	104,341	-	-	937,666
Public Safety	-	3,394,745	-	-	3,394,745
Public Works	-	1,034,083	-	-	1,034,083
Health	-	37,310	-	-	37,310
Conservation-Recreation	38,346	-	-	-	38,346
Other	-	4,975	-	-	4,975
Capital Outlay	-	19,835	-	141,435	161,270
Debt Service:					
Redemption of Principal	-	121,742	96,159	-	217,901
Interest and Other Fiscal Charges	-	55,621	7,908	-	63,529
Total Cash Disbursements	871,671	4,772,652	104,067	141,435	5,889,825
Total Receipts Over/(Under) Disbursements	84,899	773,238	(21,167)	(141,435)	695,535
Other Financing Receipts/(Disbursements):					
Other Debt Proceeds	-	-	-	141,435	141,435
Advances-In	235,378	266,578	-	-	501,956
Advances-Out	(266,578)	(235,378)	-	-	(501,956)
Other Financing Uses	-	(15,193)	-	-	(15,193)
Total Other Financing Receipts/(Disbursements)	(31,200)	16,007	-	141,435	126,242
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	53,699	789,245	(21,167)	-	821,777
Fund Cash Balance, January 1	126,641	347,936	135,680	-	610,257
Fund Cash Balance, December 31					
Restricted	-	1,137,181	114,513	-	1,251,694
Assigned	180,340	-	-	-	180,340
Fund Cash Balance, December 31	\$ 180,340	\$ 1,137,181	\$ 114,513	\$ -	\$ 1,432,034

See the accompanying notes

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Fiduciary Fund Types
	Agency
Operating Cash Receipts:	
Miscellaneous	\$ -
Total Operating Cash Receipts	-
Operating Cash Disbursements:	
Current:	
Purchased Services	106,726
Total Operating Cash Disbursements	106,726
Operating Income/(Loss)	(106,726)
Non-Operating Receipts/Disbursements	
Property and Other Local Taxes	113,166
Total Non-Operating Receipts/Disbursements	113,166
Income/(Loss)	6,440
Fund Cash Balance, January 1	15,475
Fund Cash Balance, December 31	\$ 21,915

See the accompanying notes

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Brimfield Township, Portage County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services.

Joint Ventures and Public Entity Risk Pool

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in two joint ventures and one public entity risk pool. Notes 10 and 11 to the financial statements provide additional information for these entities, which are;

Joint Venture – The Brimfield-Kent Joint Economic Development District (JEDD) – In April 2005, the Brimfield Township Board of Trustees approved the formation of this JEDD with the City of Kent. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Kent. The Township received \$90,166 in 2017, of which a portion is applied to the Capital Maintenance fund for the JEDD.

Joint Venture – The Brimfield-Tallmadge Joint Economic Development District (JEDD) – In March 2003, the Brimfield Township Board of Trustees approved the formation of this JEDD with the City of Tallmadge. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.77 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Tallmadge. The Township received \$653,818 in 2017, of which a portion is applied to the Capital Maintenance fund for the JEDD.

Public Entity Risk Pool – Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

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

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Special Levy Fire Fund – This fund receives property tax money for the support of the Fire Department for the Township.

Ambulance and Emergency Medical Fund – This fund receives property tax money as well as charges for services to support services provided to the residents of the Township.

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

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

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

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

General Note Retirement Fund – This fund receives property tax money for the retirement of the Township's general obligation debt.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

Permanent Improvement Fund – The Township received a loan for renovations to the Police Station.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust funds are for the benefit of certain individuals as they are cemetery bequest funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for a tax on the gross income of the hotels and motels in the area, of which the Township remits twenty-five percent to the Central Portage County Visitors and Convention Bureau.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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. Unencumbered appropriations lapse at year-end.

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 approve estimated resources.

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 2017 budgetary activity appears in Note 3.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Deposits 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.

Capital Assets

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

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 877,741	\$ 1,191,948	\$ 314,207
Special Revenue	5,292,931	5,812,468	519,537
Debt Service	83,283	82,900	(383)
Capital Project	-	-	-
Total	\$ 6,253,955	\$ 7,087,316	\$ 833,361

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 889,962	\$ 1,165,072	\$ (275,110)
Special Revenue	5,524,076	5,131,527	392,549
Debt Service	104,468	104,067	401
Capital Project	-	141,435	(141,435)
Total	\$ 6,518,506	\$ 6,542,101	\$ (23,595)

*The budgetary basis expenditures presented in the tables above include encumbrances outstanding at year-end.

Appropriation authority amounts are as approved by the Board of Trustees.

4. Deposits

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits and investments at December 31 was \$1,453,949.

Deposits

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

5. PROPERTY TAXES

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

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 was as follows:

	Principal	Interest Rate
G.O. Bonds- Land Acquisition	\$ 7,366	2.50%
USDA Loan - Police Building	1,331,900	3.375%
USDA Loan - Fire Truck	217,200	3.50%
Total	\$ 1,556,466	

During 2008, the Township issued a \$340,000 land acquisition bond through Chase Bank for the purchase of land located within the Township. The bond will mature on June 1, 2018 and bears an original interest rate of 3.80 percent, with a provision for an Interest Rate Adjustment Date each June 1 until the principal amount is fully paid. The Interest Rate Adjustment is based on the Applicable Rate, meaning the rate of interest per annum equal to sixty-six percent of the sum of the most recent weekly average One Year Treasury Constant Maturity Yield in the Fiscal Reserve Statistical Release H.15 plus 3.59 percent. In 2012 this rate change amounted to a \$9,634 decrease balance adjustment.

The Township in 2012 was the recipient of two USDA loans, one for the construction of a new Police Station in the amount \$1,460,000 and the second for the purchase of a Fire Truck in the amount of \$400,000. The USDA issues bonds that the Township is obligated to repay. The Police Station loan is a 30 year debt with the first year payment in 2013 of interest only. The Fire Truck issue is a 10 year issue based on the useful life estimate of the Fire Truck, with the first payment due in 2013.

The Township's taxing authority collateralized all the outstanding debt.

Principal and interest requirements to retire the debt outstanding at December 31, 2017, are as follows:

Year Ended December 31,	USDA - Police Station		
	Principal	Interest	Total
2018	\$ 34,800	\$ 44,952	\$ 79,752
2019	35,900	43,777	79,677
2020	37,100	42,566	79,666
2021	38,500	41,313	79,813
2022	39,700	40,014	79,714
2023-42	1,145,900	448,463	1,594,363
Total	\$ 1,331,900	\$ 661,085	\$ 1,992,985

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Year Ended December 31,	Land Acquisition Bond			USDA - Fire Truck		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 7,366	\$ 90	\$ 7,456	\$ 40,500	\$ 7,602	\$ 48,102
2019	-	-	-	42,000	6,184	48,184
2020	-	-	-	43,300	4,715	48,015
2021	-	-	-	44,900	3,199	48,099
2022	-	-	-	46,500	1,629	48,129
Total	<u>\$ 7,366</u>	<u>\$ 90</u>	<u>\$ 7,456</u>	<u>\$ 217,200</u>	<u>\$ 23,329</u>	<u>\$ 240,529</u>

7. CAPITAL LEASES

During 2014, the Township entered into a lease/purchase for a Road Machine in the amount of \$56,673 for 5 years.

During 2016, the Township entered into a lease/purchase for Equipment in the amount of \$187,250 for 5 years.

During 2017, the Township entered into a lease/purchase for a Police Cruisers and a Ford Expedition in the amount of \$110,671 and \$30,764 for 3 years.

The following is a schedule of the future minimum lease payments required under the capital lease.

Year Ended December 31,	Road Machine	Equipment	Police Cruisers	Ford Expedition
2018	\$ 11,580	\$ 39,963	\$ 38,578	\$ 11,041
2019	11,580	39,963	38,578	11,041
2020	-	39,963	-	-
Total	23,160	119,889	77,156	22,082
Less: Amount Representing Interest Present Value of Minimum Lease	1,398	7,318	4,676	2,180
	<u>\$ 21,762</u>	<u>\$ 112,571</u>	<u>\$ 72,480</u>	<u>\$ 19,902</u>

8. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2017.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

10. JOINT VENTURES

The Brimfield-Kent Joint Economic Development District (JEDD) – The Brimfield-Kent Joint Economic Development District was a contract entered into by Brimfield Township and the City of Kent in April 2005, in accordance with Ohio Revised Code Sections 715.72 through 715.83 for their mutual benefit and for the benefit of their residents.

The JEDD was created to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Kent. The Township and the City each agreed to contribute to the development and operation of the District. The land of the JEDD is situated within the Township limits, and utility services are provided by the City. A mutual aid agreement between the Township and City for police and fire protection will be maintained for the District.

A five member appointed Board of Directors as provided by Ohio Revised Code Section 715.78(A)(1)(a) through (e) is appointed to govern the District. The Township and City adopt by-laws for the regulation of the affairs of the Board and the conduct of business.

The JEDD Board adopted a resolution at its first meeting to levy an income tax in the District at the following rates:

<u>Years</u>	<u>Income Tax Rate</u>
2009-2011	0.75%
2012-2014	1.00%
2015-2018	1.25%
2019-2021	1.50%
2022-2024	1.75%
2025-2028	2%

The City of Kent administers, collects and enforces the income tax on behalf of the District.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Under the terms of the agreement, the Township establishes the Brimfield-Kent Maintenance and Improvement Fund (#2194) for the purpose of paying costs of maintenance and permanent improvements within the District. The District is required to set aside 0.5 percent of the income tax collected each year into this Maintenance and Improvement Fund. Once the amount of revenue to be held in this fund is determined, and all obligations of the District are met, the remaining income tax revenues shall be distributed to the Township and the City at 45 percent and 55 percent, respectively. The JEDD's financial statements can be obtained by contacting the City of Kent's Finance Department.

The Brimfield-Tallmadge Joint Economic Development District (JEDD) – The Brimfield-Tallmadge Joint Economic Development District was a contract entered into by Brimfield Township and the City of Tallmadge in March 2003, in accordance with Ohio Revised Code Sections 715.72 through 715.77 for their mutual benefit and the for the benefit of their residents.

The JEDD was created to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Portage County, Brimfield Township and the City of Tallmadge. The Township and the City each agreed to contribute to the development and operation of the District.

The land of the JEDD is situated within the Township limits, and utility services are provided by the City. A mutual aid agreement between the Township and City for police and fire protection will be maintained for the District. A five member appointed Board of Directors as provided by Ohio Revised Code Section 715.78(A)(1)(a) through (e) is appointed to govern the District.

One member representing the City and appointed by the Mayor, one member representing the Township and appointed by the Township Trustees, one member who is a business owner in the JEDD representing the business owners in the JEDD and appointed by the Township Trustees, one member who is a person employed within the JEDD and appointed by the Mayor with confirmation of City Council and one member selected by unanimous vote of all members appointed at the time. The Township and City adopt by-laws for the regulation of the affairs of the Board and the conduct of business.

The JEDD Board adopted a resolution at its first meeting to levy an income tax in the District at the rate not to exceed the highest rate levied by the City of Tallmadge, currently two percent. The income tax will be collected and shared as follows:

The split shall be 55 percent for Tallmadge and 45 percent for Brimfield Township. The City and the Township will each contribute 5% of the total (1/2 of the 10% MCI Fund) JEDD funds to be designated for the "Maintenance and Capital Improvement Fund", to be administered by the Township and used in the JEDD area of the Township. The intent is that 10% of the total JEDD revenue collected be contributed equally, 1/2 by Tallmadge, and 1/2 by Brimfield.

The City of Tallmadge administers, collects and enforces the income tax on behalf of the District.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the pool and provides underwriting, claims, loss control, risk management, and reinsurance services for the Pool.

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 and Property Coverage

The Pool is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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 net position at December 31, 2017.

	<u>2017</u>
Assets	\$ 40,010,732
Liabilities	<u>(8,675,465)</u>
Net Position	<u><u>\$ 31,335,267</u></u>

At December 31, 2017, the liabilities noted above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$26,000.

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2017	\$62,545

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

12 - CONTINGENCIES

The Township is party to legal proceedings seeking damages due to breach of contract regarding a purchase agreement for approximately 1.7 acres of land. The approximate exposure cannot be determined at this time but should the Township be compelled to proceed with the contract, the purchase price would be \$377,500. The matter is currently in the Court of Appeals.

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Brimfield Township
Portage County
1333 Tallmadge Road
Kent, Ohio 44240

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of Brimfield Township, Portage County, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2019 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2018-003 through 2018-005 to be material weaknesses.

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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2018-001 and 2018-002.

Township's Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

November 18, 2019

**BRIMFIELD TOWNSHIP
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Noncompliance Finding

Ohio Rev. Code §5705.41(B) provides that no subdivision or taxing unit is to expend money unless it has been appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Township may not exceed appropriations at the legal level for all funds.

During fiscal year 2017, expenditures exceeded appropriations in the General Fund by \$275,110.

During fiscal year 2018, expenditures exceeded appropriations in the General and Road & Bridge funds by \$299,028 and \$15,449, respectively.

The Township had no reliable management oversight procedures or polices in place to ensure compliance with the Ohio Revised Code requirements.

The Township should monitor appropriations and expenditures in all funds that are legally required to be budgeted to help ensure compliance with the above requirements.

Official's Response: Corrective Action Plan in place.

FINDING NUMBER 2018-002

Noncompliance Finding

Ohio Rev. Code §5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated fund resources as certified by the county budget commission. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

During fiscal year 2018, appropriations exceeded estimated resources in the General Fund by \$2,578 and in the Capital Projects Fund by \$405,696.

The Township had no reliable management oversight procedures or polices in place to ensure compliance with the Ohio Revised Code requirements.

Limiting appropriations to estimated resources is not only required by statute but is a key control in the budgetary and disbursement process to assure revenues are expected to be received prior to budgeting for expenditures that may exceed available revenues. To improve controls over budgeting and disbursements and to help reduce the possibility of the Township committing funds to be spent which are not available, the Township should monitor appropriations versus estimated resources to help avoid overspending throughout the year.

Official's Response: Corrective Action Plan in place.

FINDING NUMBER 2018-003

Material Weakness - Segregation of Duties

Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected.

Proper segregation of duties is not possible when only one or two people handle all four aspects of the internal control cycle, (record keeping, authorization, custody and reconciliation.) A review of the Township's segregation of duties identified the following:

- The Assistant Fiscal Officer has the ability to receive cash/deposits, reconcile daily deposits to daily receipts, prepare bank deposits, take deposits to the bank, and record transactions in the subsidiary ledger;
- The Assistant Fiscal Officer has the ability to modify employee master files, prepare payroll for processing, generate payroll checks, distribute payroll checks or initiate direct deposits, review and approve final payroll, record payroll expenses in accounting system, and reconcile payroll bank accounts;
- The Assistant Fiscal Officer has the ability to prepare purchase orders, modify master vendor payable files, approve vendor invoices for payment, prepare voucher packages for payment, mail vendor checks, initiate and approve wire transfers.
- The Fiscal Officer has the ability to initiate request for and authorize opening of new bank accounts, initiate requests for and authorize access to on-line banking. The Fiscal Officer is also an authorized signatory on bank accounts and has access to on-line banking accounts.

This lack of segregation of duties might lead to fraud, theft, or errors going undetected.

Due to the size of the Township, segregating every function may not be financially feasible, however, careful consideration of which functions need to be separated should be completed. The Township's Board of Trustees should review Township procedures and, where possible, take steps to include involvement of employees from another department handling one of the functions, levels of approval and review of the record keeping, authorization, custody, and reconciliation of accounts.

In addition, for those cycles for which segregation of duties is not possible, the Board of Trustees should enact additional monitoring controls. The Board should also take an active role in the operations of the Township, including, review of monthly reconciliations, budget versus actual reports, and review of receipt and disbursement ledgers. Implementation of these procedures may help strengthen internal control over the entire financial reporting cycle and help create a culture of accountability and assist in protecting the Township from unnecessary loss and errors.

Official's Response: We now have two people doing all jobs.

FINDING NUMBER 2018-004

Material Weakness - Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

GASB Statement 54 states, in part, encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned should not be classified as unassigned but, rather, should be included within committed or assigned fund balance, as appropriate. Additionally, when the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. This would be applicable to the general fund as it is the only fund with a positive unassigned fund balance.

The Township had the following financial statement misclassifications:

2017:

- Misclassification of JEDD receipts resulted in an overstatement of General Fund Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$56,359.
- Misclassification of JEDD receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$148,578
- Misclassification of Motor Vehicle License Tax receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$100,445.
- Misclassification of Homestead and Rollback receipts resulted in an overstatement of General Fund Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$32,191.
- Misclassification of Homestead and Rollback receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$345,449.
- Misclassification of Property Tax receipts resulted in an understatement of Special Revenue Property and Other Local Taxes and an overstatement of Charges for Services totaling \$4,400.
- Misclassification of JEDD receipts resulted in an overstatement of General Fund Miscellaneous Revenue and an understatement of Intergovernmental Revenue totaling \$1,612.
- Misclassification of JEDD receipts resulted in an overstatement of Special Revenue Fund Miscellaneous Revenue and an understatement of Intergovernmental Revenue totaling \$464,374.
- Misclassification of School Resource Officer receipts resulted in an understatement of Special Revenue Fund Intergovernmental Revenue and overstatement of Miscellaneous Revenue totaling \$52,300.
- Misclassification of debt service payments resulted in understatements of Special Revenue Fund Principal Retirement and Interest and Fiscal Charges totaling \$88,153 and \$9,536, respectively, as well as overstatements of Public Safety, Capital Outlay and Other Financing Disbursements totaling \$40,274, \$7,164 and \$50,251, respectively.

- Proceeds and related capital outlay disbursements for new leases were not recorded in the Township's accounting system resulting in understatements of the Capital Project Fund Other Financing Receipts and Capital Outlay totaling \$141,435.
- Misclassification of encumbrances and subsequent year appropriations exceeding estimated receipts resulted in an understatement of Assigned Fund Balance and an overstatement of Unassigned Fund Balance in the General Fund totaling \$187,300.

2018:

- Misclassification of JEDD receipts resulted in an overstatement of General Fund Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$29,223.
- Misclassification of JEDD receipts resulted in an overstatement of General Fund Miscellaneous Revenue and an understatement of Intergovernmental Revenue totaling \$34,511.
- Misclassification of JEDD receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$158,805.
- Misclassification of Motor Vehicle License Tax receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$108,939.
- Misclassification of Homestead and Rollback receipts resulted in an overstatement of General Fund Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$32,535.
- Misclassification of Homestead and Rollback receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Intergovernmental Revenue totaling \$347,944.
- Misclassification of EMS receipts resulted in an overstatement of Special Revenue Property and Other Local Taxes and an understatement of Charges for Services totaling \$1,946.
- Misclassification of JEDD receipts resulted in an overstatement of Special Revenue Fund Miscellaneous Revenue and an understatement of Intergovernmental Revenue totaling \$573,603.
- Misclassification of School Resource Officer receipts resulted in an understatement of Special Revenue Fund Intergovernmental Revenue and overstatement of Miscellaneous Revenue totaling \$55,000.
- Misclassification of Capital Project Fund land purchase resulted in an overstatement of Principal Retirement and an understatement of Capital Outlay totaling \$432,000.
- Misclassification of debt service payments resulted in understatements of Special Revenue Fund Principal Retirement and Interest and Fiscal Charges totaling \$13,809 and \$260, respectively, as well as an overstatement of Public Works totaling \$14,069.
- Misclassification of property and other local tax in the Road Fund and Road Levy Fund resulting in an overstatement in Property Tax in the Road fund and an understatement of Property tax in the Road Levy Fund totaling \$117,431.
- Proceeds and related capital outlay disbursements for new leases were not recorded in the Township's accounting system resulting in understatements of Other Financing Receipts and Capital Outlay totaling \$132,966.
- Misclassification of encumbrances and subsequent year appropriations exceeding estimated receipts resulted in an understatement of Assigned Fund Balance and an overstatement of Unassigned Fund Balance in the General Fund totaling \$180,340.

The Township had no management oversight procedures or policies in place to ensure transactions were properly posted.

The financial statements have been adjusted to reflect correction of these errors.

To help ensure complete and accurate financial reporting, the Fiscal Officer should closely monitor all receipts to ensure amounts are posted to the proper accounts and refer to the Ohio Township Handbook when necessary to help ensure proper accounts are being used. Additionally, the Township should report all fund balance with assigned resources as assigned fund balance on the Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances.

Official's Response: Corrective Action Plan in place.

FINDING NUMBER 2018-005

Material Weakness - Posting Budgetary Amounts

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board of Trustees to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board of Trustees are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The following variances were noted between the Certificate of Estimated Resources compared to budgeted receipts entered into the Township's accounting system:

2017:

- General Fund budgeted receipts were understated in the accounting system by \$33,570.
- Total Special Revenue Fund budgeted receipts were understated in the accounting system by \$15,096.

2018:

- General Fund budgeted receipts were overstated in the accounting system by \$199,463.
- Total Special Revenue Fund budgeted receipts were overstated in the accounting system by \$767,544.
- Debt Service Fund budgeted receipts were overstated in the accounting system by \$114,513.
- Capital Projects Fund budgeted receipts were overstated in the accounting system by \$17,634.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources and amendments were not properly posted to the accounting system.

Failure to accurately post estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

The Budgetary Activity footnote to the financial statements was adjusted to reflect budgeted revenues from the Certificate of Estimated Resources.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Trustees. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Official's Response: Corrective Action Plan in place.

Brimfield Township

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Ohio Rev. Code Section 5705.41(B) – Budgetary expenditures exceeded appropriations.	Not Corrected	Repeated as Finding 2018-001.
2016-002	Repeated from 2013-001. Ohio Rev. Code Section 5705.05 – numerous debt activity classification errors.	Partially Corrected	Repeated as Finding 2018-004
2016-003	Repeated from 2013-005 Numerous financial statement classification errors.	Not Corrected	Repeated as Finding 2018-004
2016-004	Inadequate segregation of duties.	Not Corrected	Repeated as Finding 2018-003
2016-005	Finding for Recovery – Public Funds Illegally Expended – payroll overpayment error	Fully Corrected	Finding no longer valid.

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OHIO AUDITOR OF STATE KEITH FABER



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
DECEMBER 10, 2019**