



Dave Yost • Auditor of State



**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Brimfield Township  
Portage County  
1333 Tallmadge Rd.  
Kent, Ohio 44240

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Brimfield Township, Portage County, (the Township) as of and for the year ended December 31, 2013.

### ***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 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 opinion.

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

As described in Note 1 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be 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 permitted 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, 2013, or changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Brimfield Township, Portage County as of December 31, 2013, and its combined cash receipts and disbursements for the year 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 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 23, 2015

**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, 2013**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 452,241	\$ 2,283,470	\$182,889	-	\$2,918,600
Charges for Services	2,590	217,768	-	-	220,358
Licenses, Permits, and Fees	134,982	24,788	-	-	159,770
Fines and Forfeitures	-	83,263	-	-	83,263
Intergovernmental	169,296	989,092	-	\$ 106,167	1,264,555
Special Assessments	-	6,139	-	-	6,139
Miscellaneous	95,991	84,980	-	-	180,971
<b>Total Cash Receipts</b>	<b>855,100</b>	<b>3,689,500</b>	<b>182,889</b>	<b>106,167</b>	<b>4,833,656</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	807,951	27,070	-	-	835,021
Public Safety	18,057	3,005,692	-	-	3,023,749
Public Works	1,225	612,396	-	-	613,621
Health	-	33,330	-	-	33,330
Conservation-Recreation	48,592	-	-	-	48,592
Other	-	26,556	-	-	26,556
Capital Outlay	-	65,690	-	173,075	238,765
Debt Service:					
Redemption of Principal	-	23,569	161,891	-	185,460
Interest and Other Fiscal Charges	-	30,447	24,897	-	55,344
<b>Total Cash Disbursements</b>	<b>875,825</b>	<b>3,824,750</b>	<b>186,788</b>	<b>173,075</b>	<b>5,060,438</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(20,725)</b>	<b>(135,250)</b>	<b>(3,899)</b>	<b>(66,908)</b>	<b>(226,782)</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		80,000	-	-	80,000
Transfers-Out	(80,000)	-	-	-	(80,000)
Advances-In	174,100	194,100	-	-	368,200
Advances-Out	(194,100)	(174,100)	-	-	(368,200)
Other Financing Uses	(211)	(10,617)	-	(177)	(11,005)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(100,211)</b>	<b>89,383</b>	<b>0</b>	<b>(177)</b>	<b>(11,005)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	<b>(120,936)</b>	<b>(45,867)</b>	<b>(3,899)</b>	<b>(67,085)</b>	<b>(237,787)</b>
<b>Fund Cash Balance/(Deficit), January 1</b>	<b>\$395,135</b>	<b>\$552,611</b>	<b>(\$10,091)</b>	<b>\$79,155</b>	<b>\$1,016,810</b>
<b>Fund Cash Balance, December 31</b>					
Restricted	-	506,744	-	-	506,744
Assigned	94,047	-	-	12,070	106,117
Unassigned/(Deficit)	180,152	-	(13,990)	-	166,162
<b>Fund Cash Balance/(Deficit), December 31</b>	<b>\$274,199</b>	<b>\$506,744</b>	<b>(\$13,990)</b>	<b>\$12,070</b>	<b>\$779,023</b>

See the accompanying notes to the financial statements

**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, 2013**

	<u>Fiduciary Fund Types</u>		<u>Totals</u>
	<u>Agency</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts:</b>			
Miscellaneous	\$0	\$1,050	\$1,050
Total Operating Cash Receipts	<u>0</u>	<u>1,050</u>	<u>1,050</u>
<b>Operating Cash Disbursements:</b>			
Current:			
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Operating Income/(Loss)	<u>0</u>	<u>1,050</u>	<u>1,050</u>
<b>Non-Operating Receipts/Disbursements</b>			
Other Financing Sources	\$100,797	-	\$100,797
Other Financing Uses	<u>(119,492)</u>	<u>-</u>	<u>(\$119,492)</u>
Total Non-Operating Receipts/Disbursements	<u>(18,695)</u>	<u>0</u>	<u>(18,695)</u>
Income/(Loss)	(18,695)	1,050	(17,645)
Fund Cash Balance, January 1	<u>\$19,492</u>	<u>\$1,548</u>	<u>\$21,040</u>
<b>Fund Cash Balance, December 31</b>	<u><b>\$797</b></u>	<u><b>\$2,598</b></u>	<u><b>\$3,395</b></u>

*See the accompanying notes to the financial statements*

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**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 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 8 & 9 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 \$54,990 in 2013, 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 \$452,869 in 2013, 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, 2013**

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

**B. 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 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administration Code Section 117-2-03(D) permit.

**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 maintains one business checking demand deposit account for all their banking.

**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 and report proceeds from specific sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Brimfield Tallmadge JEDD Fund – This fund receives income tax money to facilitate economic development for the residents of the Township and the City of Tallmadge.

Light Assessment - Beach Fund – This fund receives a special assessment for lights provided to the residents of the Township.

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

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

**3. Debt Service Fund**

This fund accounts for and reports 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.

**4. Capital Projects Fund**

This fund accounts for and reports 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 Projects Fund:

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

**5. 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.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

**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. The Township did not encumber all commitments required by Ohio law.

A summary of 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

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:

**1. Nonspendable**

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

**2. 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.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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

**3. 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.

**4. 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.

**5. 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.

**G. 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.

**H. 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 investments 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:

	2013
Demand deposits	<u>\$782,418</u>

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

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2013 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$829,227	\$855,100	\$25,873
Special Revenue	3,692,948	3,769,500	76,552
Debt Service	182,889	182,889	0
Capital Project	106,167	106,167	0
Private Purpose Trust	30	1,050	1,020
Total	\$4,811,261	\$4,914,706	\$103,445

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,148,973	\$1,050,083	\$98,890
Special Revenue	4,180,373	3,912,640	267,733
Debt Service	187,996	203,788	(15,792)
Capital Project	126,340	173,252	(46,912)
Private Purpose Trust	30	0	30
Total	\$5,643,712	\$5,339,763	\$303,949

\*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.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Note Retirement and Permanent Improvement funds by \$15,792 and \$46,912, respectively for the year ended December 31, 2013. Also, contrary to Ohio law at December, 2013, the Debt Service Fund had a cash deficit balance of \$13,990.

**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.

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

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, 2013**

**5. DEBT**

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
G.O. Bonds-Variious Purpose	\$86,973	4.25%
G.O. Bonds- Land Acquisition	\$143,366	2.50%
USDA Loan - Police Building	\$1,460,000	3.375%
USDA Loan - Fire Truck	<u>365,900</u>	3.50%
Total	<u><u>\$2,056,239</u></u>	

During 2007, the Township consolidated all of its outstanding loans at that time with one bank in order to save money on principal and interest payments. After advertising and reviewing all bids, the Township selected Chase bank to pay off all outstanding loans, which included principal and current interest due, in the amount of \$610,563. The new various purpose bonds issued through Chase bank were dated November 9, 2007, were issued in the amount of \$610,563, shall mature November 9, 2014 and will bear an interest rate of 4.25 percent.

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, 2013, are as follows:

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**5. DEBT (Continued)**

Year Ended December 31,	Chase Various Purpose Bond			USDA - Police Station		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$86,973	\$3,707	\$90,680	\$30,400	\$49,275	\$79,675
2015			0	31,500	48,249	79,749
2016				32,600	47,186	79,786
2017				33,600	46,086	79,686
2018				34,800	44,952	79,752
2019-42				1,297,100	626,132	1,923,232
<b>Total</b>	<b>\$86,973</b>	<b>\$3,707</b>	<b>\$90,680</b>	<b>\$1,460,000</b>	<b>\$861,880</b>	<b>\$2,321,880</b>

Year Ended December 31,	Land Acquisition Bond			USDA - Fire Truck		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$34,000	\$3,298	\$37,298	\$35,300	\$12,807	\$48,107
2015	34,000	2,463	36,463	36,500	11,571	48,071
2016	34,000	1,633	35,633	37,800	10,294	48,094
2017	34,000	802	34,802	39,100	8,971	48,071
2018	7,366	90	7,456	40,500	7,602	48,102
2019-22			0	176,700	15,727	192,427
<b>Total</b>	<b>\$143,366</b>	<b>\$8,286</b>	<b>\$151,652</b>	<b>\$365,900</b>	<b>\$66,972</b>	<b>\$432,872</b>

**6. CAPITAL LEASES**

During 2010, the Township entered into a lease/purchase with Chase Equipment Finance for the lease/purchase of a Dump Truck, in the amount of \$120,457 at 3.5% interest for 5 years.

During 2013, the Township entered into a lease/purchase for a mini excavator, in the amount of \$19,559 for 3 years at 2.3%.

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

Year Ended December 31,	Dump Truck	Mini Excavator
	Lease/Purchase	Lease
2014	\$26,131	\$6,825
2015	26,131	6,825
2016	0	6,825
<b>Total</b>	<b>\$52,262</b>	<b>\$20,475</b>

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**7. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters and full-time Police Officers 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 January through June and July through December, 2013, OP&F participants contributed 10% and 10.75% of their wages, respectively. For 2013, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2013, OPERS law enforcement and other members contributed 12.6% and 10% of their gross salaries, respectively. The Township contributed an amount equaling 18.10% and 14% of participants' gross salaries for 2013, respectively. The Township has paid all contributions required through December 31, 2013.

**8. 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>
2006 - 2008	0.50%
2009 - 2013	0.75%
2014 - 2018	1.00%
2019 - 2023	1.50%
2024 - 2028	2.00%
2029 and thereafter	Same rate as the City

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**8. JOINT VENTURES (Continued)**

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

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:

1. In areas where the City of Tallmadge is not contractually required to share JEDD revenues with the City of Akron, the split shall be 60 percent for Tallmadge and 40 percent for Brimfield Township.
2. In areas where the City of Tallmadge is required, as a result of the Tallmadge/Akron water contract to share revenues with Akron, collected income shall be distributed as 25 percent Brimfield, 25 percent Akron and 50 percent Tallmadge.

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, 2013**

**9. 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 Pooling Consultants, 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, 2013, 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 assets at December 31, 2013, and 2012, for comparison purposes:

	<u>2013</u>	<u>2012</u>
Assets	\$34,954,286	\$34,771,270
Liabilities	<u>(8,486,363)</u>	<u>(9,355,082)</u>
Net Assets	<u>\$26,467,923</u>	<u>\$25,416,188</u>

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**9. RISK MANAGEMENT (Continued)**

At December 31, 2013 and 2012, respectively, liabilities noted above include approximately \$7.9 million and \$8.7 million of estimated incurred claims payable. The assets and net assets above also include approximately \$7.4 million and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$29,000.

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>	
2012	\$45,916
2013	53,109

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.



# Dave Yost • Auditor of State

## 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 Rd.  
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 Brimfield Township, Portage County, (the Township) as of and for the year ended December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated January 23, 2015, 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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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. We consider findings 2013-001, 2013-002, 2013-004, and 2013-005 described in the accompanying schedule of findings 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 2013-001 through 2013-003.

***Entity'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 audit the Township's responses 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 communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 23, 2015

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**1. Debt**

<i>Finding Number</i>	2013-001
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NONCOMPLIANCE AND MATERIAL WEAKNESS

**Ohio Rev. Code § 5705.05** provides "the purpose and intent of the general levy for current expenses is to provide one general operating fund derived from taxation from which any expenditures for current expenses of any kind may be made. The taxing authority of a political subdivision may include in such levy the amounts required for carrying into effect any of the general or special powers granted by law to such subdivision, including the acquisition or construction of permanent improvements and the payment of judgments, but excluding the payment of debt charges and, in the case of counties, the construction, reconstruction, resurfacing, or repair of roads and bridges."

The Township paid \$44,464 in principal from various expenditure line items in the General Fund due to a lack of funds in the Bond Retirement Fund from which the payments should have been made.

Several other internal control issues were noted while testing the Township's debt payments for 2013:

- The Township has several debt issuances including bonds for Various Purposes issued in 2007 and Land Acquisition in 2008 which require the establishment of separate and distinct funds to be established for repayment of the debt, however, the Township currently has only one Bond Retirement Fund used to repay principal and interest for these and other debt issuances.
- Automatic interest payments made to the USDA were immaterially different than the amounts noted on the preliminary amortization schedules for those debt issuances.
- Principal and Interest payments of \$17,000 and \$2,217 related to the Township's Land Acquisition debt were not posted to the Township's ledgers but were withdrawn from the Township's bank account.
- A capital lease payment for the Township's Dump Truck (\$26,131), which is used by the Road Department, was made from the Bond Retirement Fund instead of the Road Levy Fund as stated in the lease agreement. In addition, this payment was recorded twice in the Township's accounting system when only one payment was actually made in accordance with the payment schedule.

In order to help ensure debt payments are made from the correct and allowable fund, the Township should make payments only from the approved fund from which payments are to be made.

**1. Debt (Continued)**

<i>Finding Number</i>	2013-001 (Continued)
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Additionally, in order to help ensure proper monitoring and accurate recording and reporting of debt payment amounts, the Township should:

- Establish a new fund or account to properly monitor the debt issuances as required by the related debt agreements
- Request a final amortization schedule for the USDA debt issuances
- Review the bank account statements to determine amounts withdrawn for debt payments are properly posted to the accounting system.
- Make capital lease payments from the correct fund as required by the lease agreement
- Review the accounting system for possible duplicate payments recorded and correct any improper postings

The accompanying financial statements and the Township's ledgers have been adjusted to record the debt activity properly.

**Official's Response:** The debt schedule is being corrected and the road levy debt account is being set up in the UAN system for future debt payments. The USDA 2012 to 2013 year end scenario has been correct.

**2. Negative Fund Balance**

<i>Finding Number</i>	2013-002
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NONCOMPLIANCE AND MATERIAL WEAKNESS

**Ohio Rev. Code § 5705.10(I)**, provides that money paid into a fund must be used only for the purposes for which such fund was established. The Debt Service Fund had a negative fund balance as of December 31, 2013 of (\$13,990). This deficit balance indicates money from other funds was used to cover the expenditures of this fund, contrary to Ohio law.

The Township, due to the lack of available funds in the Debt Service Fund, paid a portion of a debt payment from the General Fund in December of 2013. An adjustment was made to the financial statements and the Township's accounting records to properly account for the debt transaction.

Failure to monitor budgetary activity can result in overspending and negative fund balances. The Board should monitor the Township's budgetary receipts and expenditures by having the Fiscal Officer provide budget reports monthly to be reviewed and approved by the Trustees. By regularly monitoring its budgetary position throughout the year, the Township will be better able to determine when and if amendments need to be made to original budgeted receipts thus avoiding negative fund balances. By reviewing budgetary and actual activity throughout the year, the Board will be able to determine, especially with the Debt Service Fund, why funding in this fund is not sufficient to cover the required expenditures.

**2. Negative Fund Balance (Continued)**

<i>Finding Number</i>	2013-002 (Continued)
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**Official's Response:** The negative fund balance in the debt services account was corrected and will be correct for future audits. With the debt accounts being created for the individual fund accounts, this should eliminate the issue in the future. Posting debt to the specific account and not paying all debt out of one account will be changed in our UAN system.

**3. Fiscal Officer Certificates**

<i>Finding Number</i>	2013-003
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NONCOMPLIANCE

**Ohio Rev. Code § 5705.41(D)** requires no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**3. Fiscal Officer Certificates (Continued)**

<i>Finding Number</i>	2013-003 (Continued)
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3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not certify nine of 29 (or 31%) expenditures tested nor was there evidence the Township issued Then and Now Certificates. The Township should certify the availability of funds for expenditure and also implement the use of Then and Now Certificates, Blanket Certificates and Super Blanket Certificates as further means to certify funds pursuant to Ohio Rev. Code Section 5705.41(D). Additionally, we noted 1 of 5 (20%) disbursements reviewed as a part of the search for unrecorded encumbrances was not properly encumbered at year end.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

In addition, Ohio Rev. Code Section 5705.41(D)(3) provides for the use of "regular blanket" certificates for a sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority of the subdivision or taxing unit. The section also provides that Fiscal Officers may have open only a single "regular blanket" purchase order per line-item appropriation, or at the Township's legal level of control.

The Township utilized "regular blanket" and "super blanket" certificates as provided for in Ohio Rev. Code Section 5705.41(D)(3) during the audit period, however, the Board of Trustees has not formally established, by resolution or ordinance, a limit to the "regular blanket" certificate amount. Additionally, the Township had three "regular blanket" certificates open simultaneously for a single line-item appropriation during the audit period. One of the Township's "super blanket" certificates had three charges made after year-end that related to the expenses in the following fiscal year.

To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Township Board of Trustees establish a maximum "blanket" certificate amount. The Township should maintain only one "regular blanket" certificate for a single line-item appropriation at a time. In addition, the Fiscal Officer should certify the availability of funds for expenditure prior to commitment and also implement the use of Then and Now Certificates, Blanket Certificates and Super Blanket Certificates as further means to certify funds pursuant to Ohio Rev. Code § 5705.41(D).

**Official's Response:** The Fiscal office PO procedure will be distributed to all department heads again this year and we will try to implement the super blanket process if UAN will allow it. Personnel issues have been corrected and I believe this issue will be correct in the future.

**4. Bank Account Reconciliations**

<i>Finding Number</i>	2013-004
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MATERIAL WEAKNESS

During the audit period, the Fiscal Officer's department did not properly reconcile the year and the end of the month bank balances to the end of the month book balances. The lack of accurate and timely performance of monthly bank reconciliations resulted in numerous errors which remained undetected and uncorrected until performance of reconciliation procedures as performed by an Independent Public Accounting (IPA) firm at the request of the Township. Adjustments were made to the accounting system and financial statements to present accurate cash balances at year end. Adjustments made to the General Fund in order to reconcile cash included \$13,656 of amounts not posted to the accounting system and \$2,259 noted as an unreconciled difference.

Additionally, no documentation of the Fiscal Officer's and Board of Trustees' review and approval of the reconciliations were noted. The IPA's reconciliation work papers did not include sufficient detail to make adjustments, as necessary, to each fund, leaving all adjustments to be posted to the General Fund and those adjustments were not formally approved by the Board of Trustees.

We recommend the Fiscal Officer or designee reconcile the month end bank balances to the cash balance per the accounting system on a monthly basis. Any items listed as adjustments to the reconciliations should be properly identified and support documentation attached to the reconciliations. Due to the size of the Township and lack of proper segregation of duties, all reconciliations should be reviewed and signed as approved, by the Board of Trustees as well as the Fiscal Officer. Additionally, all adjustments to Fund Balances should be determined by fund and, after approval of the Board of Trustees, should be posted the fund to which it applies.

**Official's Response:** With the correction of the 2013 fund adjustments, all bank reconciliations have been reconciled and are correct going forward.

**5. Receipt Classification**

<i>Finding Number</i>	2013-005
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MATERIAL WEAKNESS

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements and accompanying notes is complete and accurate. The Township classified various receipts in accounts other than those determined by the Ohio Township Handbook, available online at <https://ohioauditor.gov/publications.html>, as follows:

**5. Receipt Classification (Continued)**

<i>Finding Number</i>	2013-005 (Continued)
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- Three receipts, \$103 for Manufactured Home Homestead, \$64 for Manufactured Home Rollback, and \$30,671 for Homestead and Rollback (H&R) receipts were properly recorded in the General Fund (1000) but were improperly included in the Property Taxes (101) account rather than the Property Tax Allocation (535) account. Similar misclassification of Homestead and Rollback amounts were noted in the following funds: Road and Bridge (2031) Fund of \$5,577, Fire Levy (2191) Fund of \$94,664, Police Levy (2192) Fund of \$185,523, Road Levy (2195) Fund of \$25,688, and EMS Levy (2281) Fund of \$22,986. This originally resulted in the "property and other local taxes" cash receipt line items being overstated and the "intergovernmental" cash receipt line items being understated on the financial statements.
- Cable Franchise Fees of \$100,909 were properly allocated to the General Fund (1000) but were improperly included as Other Miscellaneous Operating receipts (891) rather than Cable Franchise Fees (303). This originally resulted in the "miscellaneous" cash receipt line item being overstated and the "licenses, permits, and fees" cash receipts line item being understated.
- Jr. Golf fees of \$2,590 were properly allocated to the General Fund (1000) but were improperly included as Other Miscellaneous Operating receipts (891) rather than Other Charges for Services (299). This originally resulted in the "miscellaneous" cash receipts line items being overstated and the "charges for services" cash receipts line item being understated.
- School Resource Officer (SRO) reimbursements of \$40,000 (\$20,000 each from Field Local Schools and Suffield Township) were properly allocated to the Police Levy Fund (2192) but were improperly classified as Other Miscellaneous Operating receipts (891) rather than Intergovernmental Receipts (Non-State Non-Federal) (591). This originally resulted in the "miscellaneous" cash receipts line items being overstated and the "intergovernmental" cash receipts line items being understated.
- A Public Safety Grant for \$3,000 was properly allocated to the EMS Fund (2281) but was improperly recorded as Other Miscellaneous Non-Operating Receipts (892) rather than Other State receipts (539). This originally resulted in the "miscellaneous" cash receipts line items being overstated and the "intergovernmental" cash receipts line items being understated.
- The Township's DARE grant of \$17,660 was properly allocated to the DARE Fund (2902) but was improperly recorded as Other Miscellaneous Operating receipts (891) rather than Other State receipts (539). This originally resulted in the "miscellaneous" cash receipts line items being overstated and the "intergovernmental" cash receipts line items being understated.
- Joint Economic Development District (JEDD) monies were improperly classified as Other Miscellaneous Non-Operating receipts (892) rather than Intergovernmental Receipts (Non-State Non-Federal) (591) in the following funds: General (1000) Fund of \$40,869, Road and Bridge (2031) Fund of \$122,607, Fire Levy (2191) Fund of \$122,607, and Police Levy (2192) Fund of \$122,607. This originally resulted in the "miscellaneous" cash receipt line items being overstated and the "intergovernmental" cash receipt line items being understated on the financial statements. In addition, JEDD monies were improperly classified as Other Local Taxes (199) rather than Intergovernmental Receipts (Non-State Non-Federal) (591) in the following funds: Brimfield-Tallmadge JEDD M&I (2193) Fund of \$90,515 and the Brimfield-Kent JEDD M&I (2194) Fund of \$8,654.

5. **Receipt Classification (Continued)**

<i>Finding Number</i>	2013-005 (Continued)
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The financial statements have been adjusted to reflect reclassification for these errors.

In order to help ensure proper classification and presentation on the Township's accounting records and financial statements, the Township should utilize the Ohio Township Handbook to determine the accounts in which all receipts should be recorded.

**Official's Response:** All requested receipt classifications are being added to the UAN system at this time and will be classed in the requested accounts going forward.

**BRIMFIELD TOWNSHIP  
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-01	Ohio Rev. Code Section 5705.41 (D) – Invoices paid without proper prior certification.	No	Not Corrected – Repeated as Finding 2013-003.
2012-02	Ohio Rev. Code Section 9.38- Timely deposit of Monies.	No	Partially Corrected – Repeated with modifications as Management Letter Recommendation #3.
2012-03	Resolution 2007-393 Section (6) and 201-2008 Section (8) – Debt Requirements and Covenants.	No	Not Corrected – Repeated with modifications as Finding 2013-001.
2012-04	Ohio Rev. Code Section 505.24 – Overcompensation of Trustees.	Yes	Finding No Longer Valid.
2012-05	Ohio Rev. Code Section 5705.10 (H) – Negative Fund Balance.	No	Not Corrected – Repeated with modifications as Finding 2013-002.
2012-06	Transfers and Advances not approved in minutes.	No	Partially Corrected – Repeated with modifications as Management Letter Noncompliance #5.
2012-07	Accounting Records – numerous posting errors.	No	Not Corrected – Repeated with modifications as Finding 2013-005.
2012-08	Reconciliations – Bank reconciliations not performed timely.	No	Not Corrected – Repeated with modifications as Finding 2013-004.



# Dave Yost • Auditor of State

**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  
FEBRUARY 19, 2015**