



**Auditor of State  
Betty Montgomery**



**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11
Schedule of Prior Audit Findings.....	13

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Brookfield Township  
Trumbull County  
6844 Strimbu Drive  
Brookfield, Ohio 44403

To the Board of Trustees:

We have audited the accompanying financial statements of Brookfield Township (the Township) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2004 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Brookfield Township  
Trumbull County  
Independent Accountant's Report  
Page 2

This report is intended solely for the information and use of the Board of Trustees, management, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

July 29, 2004

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$47,584	\$1,318,792		\$1,366,376
Intergovernmental	293,420	214,990		508,410
Special Assessments		31,976		31,976
Charges for Services		313,153		313,153
Licenses, Permits, and Fees		24,745		24,745
Fines, Forfeitures, and Penalties	926	10,688		11,614
Earnings on Investments	4,828	328	\$10	5,166
Other Revenue	89,156	102,515		191,671
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	435,914	2,017,187	10	2,453,111
<b>Cash Disbursements:</b>				
Current:				
General Government	159,247			159,247
Public Safety	46,655	1,709,517		1,756,172
Public Works	289,174	302,495		591,669
Health	17,672	52,809	10	70,491
Conservation - Recreation	15,334			15,334
Miscellaneous		11,353		11,353
Debt Service:				
Redemption of Principal		9,209		9,209
Interest and Fiscal Charges		2,661		2,661
Capital Outlay	6,386	12,399		18,785
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	534,468	2,100,443	10	2,634,921
Total Receipts Over/(Under) Disbursements	(98,554)	(83,256)	0	(181,810)
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In		118,742		118,742
Advances-Out	(3,693)	(115,050)		(118,743)
Other Sources		8,100	1,570	9,670
Other Uses			(20)	(20)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(3,693)	11,792	1,550	9,649
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(102,247)	(71,464)	1,550	(172,161)
Fund Cash Balances, January 1	446,530	259,034	11,828	717,392
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$344,283</b>	<b>\$187,570</b>	<b>\$13,378</b>	<b>\$545,231</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	\$5,691	\$3,929	\$0	\$9,620
	<hr/>	<hr/>	<hr/>	<hr/>

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

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$51,803	\$1,101,124		\$1,152,927
Intergovernmental	357,624	180,357		537,981
Special Assessments		31,439		31,439
Charges for Services		431,006		431,006
Licenses, Permits, and Fees		34,708		34,708
Fines, Forfeitures, and Penalties	2,281	11,884		14,165
Earnings on Investments	12,648	1,359	\$10	14,017
Other Revenue	89,005	71,959		160,964
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	513,361	1,863,836	10	2,377,207
<b>Cash Disbursements:</b>				
Current:				
General Government	176,260			176,260
Public Safety	60,524	1,474,950		1,535,474
Public Works	317,962	379,377		697,339
Health	33,143	29,091	10	62,244
Conservation - Recreation	13,001			13,001
Miscellaneous		17,337		17,337
Debt Service:				
Redemption of Principal		9,105		9,105
Interest and Fiscal Charges		3,209		3,209
Capital Outlay	7,983	64,838		72,821
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	608,873	1,977,907	10	2,586,790
Total Receipts Over/(Under) Disbursements	(95,512)	(114,071)	0	(209,583)
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In		20,359		20,359
Advances-Out	(20,359)			(20,359)
Other Sources	163	13,700	1,043	14,906
Other Uses			(23)	(23)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(20,196)	34,059	1,020	14,883
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(115,708)	(80,012)	1,020	(194,700)
Fund Cash Balances, January 1	562,238	339,046	10,808	912,092
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$446,530</u></b>	<b><u>\$259,034</u></b>	<b><u>\$11,828</u></b>	<b><u>\$717,392</u></b>

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



**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Brookfield Township, Trumbull County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, police and fire protection, and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

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

Repurchase agreements are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

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

**D. Fund Accounting** (Continued)

**2. Special Revenue Funds** (Continued)

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

*Police District Fund* – This fund receives property tax money to pay for the general operation of the police department.

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

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

**3. Fiduciary Funds (Trust Funds)**

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

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

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

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

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand deposits	(\$168,468)	(\$73,657)
Total deposits	(168,468)	(73,657)
Repurchase Agreements	713,699	791,049
Total investments	713,699	791,049
Total deposits and investments	\$545,231	\$717,392

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution's public entity risk pool.

**Investments:** The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

**3. BUDGETARY ACTIVITY**

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

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$441,079	\$435,914	(\$5,165)
Special Revenue	2,115,778	2,025,287	(90,491)
Fiduciary	1,012	1,580	568
Total	\$2,557,869	\$2,462,781	(\$95,088)

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$672,747	\$540,159	\$132,588
Special Revenue	2,395,977	2,104,372	291,605
Fiduciary	12,839	30	12,809
Total	<u>\$3,081,563</u>	<u>\$2,644,561</u>	<u>\$437,002</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$441,079	\$513,524	\$72,445
Special Revenue	1,921,310	1,877,536	(43,774)
Fiduciary	2,325	1,053	(1,272)
Total	<u>\$2,364,714</u>	<u>\$2,392,113</u>	<u>\$27,399</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$672,747	\$608,873	\$63,874
Special Revenue	2,030,879	1,977,907	52,972
Fiduciary	12,517	33	12,484
Total	<u>\$2,716,143</u>	<u>\$2,586,813</u>	<u>\$129,330</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Notes - Fire Hall	\$170,795	5.50%
General Obligation Notes - Road Improvement	48,955	4.70%
Total	\$219,750	

The general obligation notes were issued to finance the purchase of a fire hall and a road improvement project. The notes are collateralized solely by the Township's taxing authority.

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

	General Obligation Notes Fire Hall	General Obligation Notes Road
Year ending December 31:		
2004	\$63,291	\$11,212
2005	63,291	10,774
2006	63,291	10,335
2007	0	9,896
2008	0	9,488
2009	0	2,940
Total	\$189,873	\$54,645

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Township has paid all contributions required through December 31, 2003.

**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Brookfield Township  
Trumbull County  
6844 Strimbu Drive  
Brookfield, Ohio 44403

To the Board of Trustees:

We have audited the financial statements of Brookfield Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain instance of noncompliance that we have reported to management in a separate letter dated July 29, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we did note a certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management in a separate letter dated July 29, 2004.

Brookfield Township  
Trumbull County  
Independent Accountant's Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the Board of Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

July 29, 2004



**BROOKFIELD TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

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>
2001-41178-001	Revised Code 5705.10, existence of negative cash balances	Yes	
2001-41178-002	Revised Code 5705.41 (B), expenditures exceeded appropriations	No	Partially corrected; repeated in 5 funds during 2002. No violations during 2003.





**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**BROOKFIELD TOWNSHIP**

**TRUMBULL COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 7, 2004**