



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**BLOOM TOWNSHIP  
SCIOTO COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Bloom Township  
Scioto County  
P.O. Box 52  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 of Bloom Township, Scioto County, as of December 31, 2001 and 2000, 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 April 30, 2002, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

April 30, 2002

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**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

|  | <u>Governmental Fund Types</u> |                            | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Local Taxes  | \$30,523                       | \$8,119                    | \$38,642                                |
| Intergovernmental  | 12,150                         | 248,779                    | 260,929                                 |
| Earnings on Investments  | 891                            | 540                        | 1,431                                   |
| Other Revenue  | 1,463                          | 10,028                     | 11,491                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts  | 45,027                         | 267,466                    | 312,493                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Current:   |                                |                            |   |
| General Government   | 46,651                         |                            | 46,651                                  |
| Public Works   |                                | 129,560                    | 129,560                                 |
| Health   |                                | 9,719                      | 9,719                                   |
| Debt Service:  |                                |                            |   |
| Redemption of Principal  |                                | 119,005                    | 119,005                                 |
| Interest and Fiscal Charges  |                                | 1,786                      | 1,786                                   |
| Capital Outlay   |                                | 191,012                    | 191,012                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Disbursements   | 46,651                         | 451,082                    | 497,733                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts Over/<br>(Under) Cash Disbursements  | (1,624)                        | (183,616)                  | (185,240)                               |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |   |
| Proceeds from Sale of Public Debt:   |                                |                            |   |
| Sale of Notes  | 3,500                          | 168,901                    | 172,401                                 |
| Transfers-In   |                                | 10,142                     | 10,142                                  |
| Transfers-Out  | (22)                           | (10,120)                   | (10,142)                                |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Other Financing Receipts/(Disbursements)   | 3,478                          | 168,923                    | 172,401                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 1,854                          | (14,693)                   | (12,839)                                |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Fund Cash Balances, January 1  | 9,157                          | 34,336                     | 43,493                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>   | <b>\$11,011</b>                | <b>\$19,643</b>            | <b>\$30,654</b>                         |
|  | <hr/> <hr/>                    | <hr/> <hr/>                | <hr/> <hr/>                             |

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

BLOOM TOWNSHIP  
SCIOTO COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001

|   | <u>Fiduciary<br/>Fund Type</u> |
|---|--------------------------------|
|   | <u>Nonexpendable<br/>Trust</u> |
| <b>Operating Cash Receipts:</b>                   |                                |
| Earnings on Investments                           | \$207                          |
| Total Operating Cash Receipts                     | 207                            |
| Net Cash Receipts Over/(Under) Cash Disbursements | 207                            |
| Fund Cash Balance, January 1                      | 3,440                          |
| <b>Fund Cash Balances, December 31</b>            | <b><u><u>\$3,647</u></u></b>   |

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

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

|  | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |   |
| Local Taxes  | \$31,623                       | \$8,377                    | \$40,000                                |
| Intergovernmental  | 10,947                         | 128,466                    | 139,413                                 |
| Earnings on Investments  | 847                            | 498                        | 1,345                                   |
| Other Revenue  | 2,270                          | 9,918                      | 12,188                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts  | 45,687                         | 147,259                    | 192,946                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Cash Disbursements:</b>   |                                |                            |   |
| Current:   |                                |                            |   |
| General Government   | 47,275                         |                            | 47,275                                  |
| Public Works   |                                | 110,451                    | 110,451                                 |
| Health   |                                | 10,802                     | 10,802                                  |
| Debt Service:  |                                |                            |   |
| Redemption of Principal  |                                | 38,061                     | 38,061                                  |
| Interest and Fiscal Charges  |                                | 2,017                      | 2,017                                   |
| Capital Outlay   |                                | 1,500                      | 1,500                                   |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Disbursements   | 47,275                         | 162,831                    | 210,106                                 |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Cash Receipts Over/<br>(Under) Cash Disbursements  | (1,588)                        | (15,572)                   | (17,160)                                |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |   |
| Proceeds from Sale of Public Debt:   |                                |                            |   |
| Sale of Notes  |                                | 25,000                     | 25,000                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Total Other Financing Receipts/(Disbursements)   | 0                              | 25,000                     | 25,000                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | (1,588)                        | 9,428                      | 7,840                                   |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| Fund Cash Balances, January 1  | 10,745                         | 24,908                     | 35,653                                  |
|  | <hr/>                          | <hr/>                      | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>   | <b>\$9,157</b>                 | <b>\$34,336</b>            | <b>\$43,493</b>                         |
|  | <hr/> <hr/>                    | <hr/> <hr/>                | <hr/> <hr/>                             |

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

BLOOM TOWNSHIP  
SCIOTO COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000

|   | <u>Fiduciary<br/>Fund Type</u> |
|---|--------------------------------|
|   | <u>Nonexpendable<br/>Trust</u> |
| <b>Operating Cash Receipts:</b>                   |                                |
| Earnings on Investments                           | \$159                          |
| Total Operating Cash Receipts                     | 159                            |
| Net Cash Receipts Over/(Under) Cash Disbursements | 159                            |
| Fund Cash Balance, January 1                      | 3,281                          |
| <b>Fund Cash Balances, December 31</b>            | <b><u><u>\$3,440</u></u></b>   |

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

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bloom Township, Scioto 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 and a publicly elected Clerk. The Township provides general governmental services, including road and bridge maintenance (public works), and cemetery maintenance (health).

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 included in fund cash balances. 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.

Certificates of deposit are valued at cost or fair value when donated.

**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:

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

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

Miscellaneous Special Revenue Fund - This fund receives Ohio Emergency Management Association grants for repairing Township roads.

**3. Fiduciary Fund (Trust and Agency Fund)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This Nonexpendable Trust Fund receives interest income for maintaining the Cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash balances 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 canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

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

|                        | 2001     | 2000     |
|------------------------|----------|----------|
| Demand deposits        | \$31,135 | \$43,767 |
| Certificate of deposit | 3,166    | 3,166    |
| Total deposits         | \$34,301 | \$46,933 |

**Deposits:** Deposits are either (1) insured by Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 was as follows:

2001 Budgeted vs. Actual Receipts

| Fund Type           | Budgeted Receipts | Actual Receipts | Variance |
|---------------------|-------------------|-----------------|----------|
| General             | \$48,330          | \$48,527        | \$197    |
| Special Revenue     | 443,475           | 446,509         | 3,034    |
| Nonexpendable Trust | 207               | 207             | 0        |
| Total               | \$492,012         | \$495,243       | \$3,231  |

2001 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type           | Appropriation Authority | Budgetary Expenditures | Variance    |
|---------------------|-------------------------|------------------------|-------------|
| General             | \$48,493                | \$46,673               | \$1,820     |
| Special Revenue     | 206,375                 | 461,202                | (254,827)   |
| Nonexpendable Trust | 273                     | 0                      | \$273       |
| Total               | \$255,141               | \$507,875              | (\$252,734) |

2000 Budgeted vs. Actual Receipts

| Fund Type           | Budgeted Receipts | Actual Receipts | Variance |
|---------------------|-------------------|-----------------|----------|
| General             | \$45,637          | \$45,687        | \$50     |
| Special Revenue     | 172,186           | 172,259         | 73       |
| Nonexpendable Trust | 160               | 159             | (1)      |
| Total               | \$217,983         | \$218,105       | \$122    |

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

| <u>2000 Budgeted vs. Actual Budgetary Basis Expenditures</u> |                                    |                                   |                   |
|--|------------------------------------|-----------------------------------|-------------------|
| <u>Fund Type</u>   | <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>   |
| General  | \$50,267                           | \$47,275                          | \$2,992           |
| Special Revenue  | 123,858                            | 162,831                           | (38,973)          |
| Nonexpendable Trust  | <u>300</u>                         | <u>0</u>                          | <u>300</u>        |
| Total  | <u>\$174,425</u>                   | <u>\$210,106</u>                  | <u>(\$35,681)</u> |

Contrary to Ohio Law, budgetary expenditures exceeded appropriation authority for various funds in 2001 and 2000 at the fund level and at the legal level of control.

**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.

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

|  | <u>Principal</u> | <u>Interest<br/>Rate</u> |
|--|------------------|--------------------------|
| Promissory Note (Tar Truck Loan)           | \$4,250          | 6.00%                    |
| OPWC Loan                                  | 17,401           | 0.00%                    |
| General Obligation Note (Road Repair Loan) | <u>40,090</u>    | 5.15%                    |
| Total                                      | <u>\$61,741</u>  |                          |

The promissory note for the tar truck was issued to finance the purchase of the tar truck to be used for Township road maintenance. The promissory note was collateralized solely by the tar truck.

The OPWC loan was issued to finance the resurfacing of Piquet Road.

The general obligation note for road repair was issued to finance road repair due to flooding. The general obligation note was collateralized by the full faith and credit of the Township.

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT (Continued)**

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

| <u>Year ending December 31:</u> | <u>Promissory<br/>Note<br/>(Tar Truck)</u> | <u>OPWC<br/>Loan</u> | <u>General<br/>Obligation<br/>Note<br/>(Road Repair)</u> |
|---------------------------------|--|----------------------|--|
| 2002                            | \$4,512                                    | \$870                | \$21,156   |
| 2003                            |  | 1,740                | 21,156   |
| 2004                            |  | 1,740                |  |
| 2005                            |  | 1,740                |  |
| 2006                            |  | 1,740                |  |
| 2007 – 2011                     |  | 8,701                |  |
| 2012                            |  | 870                  |  |
| Total                           | <u>\$4,512</u>                             | <u>\$17,401</u>      | <u>\$42,312</u>  |

**6. RETIREMENT SYSTEMS**

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000 and for 2001. For the period July 1, 2000 through December 31, 2000 PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Township has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Vehicles
- Property
- Public Officials' liability

The Township also provides health and life insurance coverage to elected officials through a private carrier.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Bloom Township  
Scioto County  
P.O. Box 52  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 30, 2002. 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2001-40773-001 and 2001-40773-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 30, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 30, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

April 30, 2002

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

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

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2001-40773-001**

**Noncompliance Citation**

Ohio Rev. Code §5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

For 2001, disbursements exceeded appropriations in the following funds: Gasoline Tax Fund, \$71,719 (96%); Permissive Motor Vehicle License Tax Fund, \$4,196 (23%); and the Miscellaneous Special Revenue Fund, \$186,619 (277%).

For 2000, disbursements exceeded appropriations in the Miscellaneous Special Revenue Fund, \$63,331, and no appropriations were made.

For testing at the legal level of control for 2001, disbursements exceeded appropriations for the following line items: General Fund - UAN and Other Contracts, \$2,064 (33%); Gasoline Tax Fund - Salaries All Other Staff, \$4,010 (21%); Road & Bridge Fund - Repair, \$900 (75%); Permissive Motor Vehicle License Tax Fund - Operating Supplies, \$191 (4%), Permissive Motor Vehicle License Tax Fund - Other, \$1,950 (30%).

For testing at the legal level of control for 2000, disbursements exceeded appropriations for the following line items: Gasoline Tax Fund - Salaries All Other Staff, \$2,937 (18%); Miscellaneous Special Revenue Fund - Contracts, \$25,000 (No Appropriations); Miscellaneous Special Revenue Fund - Supplies, \$12,600 (No Appropriations).

The Township Clerk should not approve commitments exceeding appropriations. The Township Clerk should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary. We also recommend that the Township periodically monitor appropriations and expenditures to ensure disbursements do not exceed appropriations.

**FINDING NUMBER 2001-40773-002**

**Noncompliance Citation**

Ohio Rev. Code §5705.41(D) states that no order or contract involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided statute:

1. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution of ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

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

|   |
|---|
| <p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b></p> |
|---|

**FINDING NUMBER 2001-40773-002  
(Continued)**

**Noncompliance Citation (Continued)**

**Ohio Rev. Code §5705.41(D) (Continued)**

2. Amounts of less than \$1,000, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures of the taxing authority.

Sixty eight percent of disbursements tested did not have funds certified as available on purchase orders until after the commitment was made and none of these met the two exceptions above.

We recommend that when purchase orders are used, they be certified by the Township Clerk prior to the commitment being made or "then and now" certificates be used.

**BLOOM TOWNSHIP  
SCIOTO COUNTY**

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

| <u>Finding Number</u> | <u>Finding Summary</u>   | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b> |
|-----------------------|--|-------------------------|---|
| 1999-40773-001        | Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same 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. Of expenditures tested in 1999 and 1998, 31% did not contain prior certification. | No                      | Not Corrected; Repeated in GAGAS letter as Finding 2001-40773-002.  |
| 1999-40773-002        | During testing of budgetary compliance it was noted that the estimated receipts exceeded actual receipts in 1999, in the Motor Vehicle License Tax Fund by \$7,339 (6%), and in the Gasoline Tax Fund by \$16,343 (14%). Since appropriations and subsequent expenditures are based on estimated receipts, a shortage of actual receipts could result in overspending.   | Yes                     |   |





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BLOOM TOWNSHIP**

**SCIOTO 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  
JUNE 25, 2002**