



**Auditor of State  
Betty Montgomery**



BLOOM TOWNSHIP  
SENECA COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Bloom Township  
Seneca County  
5051 East County Road 12  
P.O. Box 57  
Bloomville, Ohio 44818-0057

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Seneca County, (the Township) as of and for the years ended December 31, 2002 and 2001. 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, 2002 and 2001, 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 January 17, 2003 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 the audit committee, management, the Board 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

January 17, 2003

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**BLOOM TOWNSHIP  
SENECA 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**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Local Taxes	\$15,860	\$74,004
Intergovernmental	49,885	73,377
Licenses, Permits, and Fees		4,625
Earnings on Investments	3,441	463
Other Revenue	450	9,358
 Total Cash Receipts	 69,636	 161,827
<b>Cash Disbursements:</b>		
Current:		
General Government	81,690	
Public Safety		24,313
Public Works	6,000	85,552
Health	7,920	8,743
Debt Service:		
Redemption of Principal		
Interest and Fiscal Charges		
Capital Outlay		6,028
 Total Cash Disbursements	 95,610	 124,636
 Total Receipts Over/(Under) Disbursements	 (25,974)	 37,191
 Fund Cash Balances, January 1	 64,843	 131,743
 <b>Fund Cash Balances, December 31</b>	 <b>\$38,869</b>	 <b>\$168,934</b>
 Reserve for Encumbrances, December 31	 \$3,531	 \$1,703

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



<u>Governmental Fund Types</u>			<u>Totals</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Fund</u>	<u>(Memorandum Only)</u>
\$35,456			\$125,320
4,754			128,016
		\$20	4,625
		5,000	3,924
			14,808
<u>40,210</u>		<u>5,020</u>	<u>276,693</u>
			81,690
792			25,105
			91,552
			16,663
22,000			22,000
8,855			8,855
			6,028
<u>31,647</u>			<u>251,893</u>
8,563		5,020	24,800
13,840	\$4,745		215,171
<u>\$22,403</u>	<u>\$4,745</u>	<u>\$5,020</u>	<u>\$239,971</u>
	<u>\$4,745</u>		<u>\$9,979</u>

**BLOOM TOWNSHIP  
SENECA 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**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Cash Receipts:</b>		
Local Taxes	\$16,486	\$78,826
Intergovernmental	82,941	71,454
Licenses, Permits, and Fees		3,400
Earnings on Investments	3,346	1,174
Other Revenue	4,084	7,068
	106,857	161,922
<b>Cash Disbursements:</b>		
Current:		
General Government	72,596	
Public Safety		34,153
Public Works	2,000	66,648
Health	6,101	6,843
Debt Service:		
Redemption of Principal		
Interest and Fiscal Charges		
Capital Outlay	14,302	36,112
	94,999	143,756
Total Cash Disbursements	94,999	143,756
Total Receipts Over/(Under) Disbursements	11,858	18,166
<b>Other Financing Receipts:</b>		
Sale of Fixed Assets	5,607	
	5,607	
Total Other Financing Receipts	5,607	
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	17,465	18,166
Fund Cash Balances, January 1	47,378	113,577
<b>Fund Cash Balances, December 31</b>	<b>\$64,843</b>	<b>\$131,743</b>
Reserve for Encumbrances, December 31		

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

<u>Governmental Fund Types</u>		<u>Totals</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
\$37,057		\$132,369
4,414	\$17,146	175,955
		3,400
		4,520
		11,152
<u>41,471</u>	<u>17,146</u>	<u>327,396</u>
		72,596
829		34,982
		68,648
		12,944
22,000		22,000
9,845		9,845
	22,546	72,960
<u>32,674</u>	<u>22,546</u>	<u>293,975</u>
<u>8,797</u>	<u>(5,400)</u>	<u>33,421</u>
		5,607
		5,607
8,797	(5,400)	39,028
5,043	10,145	176,143
<u><b>\$13,840</b></u>	<u><b>\$4,745</b></u>	<u><b>\$215,171</b></u>

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**BLOOM TOWNSHIP  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bloom Township, Seneca 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 general governmental services, including road and bridge maintenance, cemetery maintenance, 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**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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.

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

**BLOOM TOWNSHIP  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

*Fire Levy Fund* - This fund receives property tax money to pay for the fire fighting services.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

*General Bond Retirement Fund* - This fund receives tax revenue to pay off the fire truck.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

*Issue II Fund* - The Township received a grant from the State of Ohio to repair Township roads.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 and 2001 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  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**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**

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

	2002	2001
Demand deposits	\$219,071	\$194,271
Certificates of deposit	20,900	20,900
Total deposits	\$239,971	\$215,171

Deposits are either (1) insured by the Federal Depository 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, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$66,181	\$69,636	\$3,455
Special Revenue	154,974	161,827	6,853
Debt Service	36,842	40,210	3,368
Fiduciary		5,020	5,020
Total	\$257,997	\$276,693	\$18,696

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$120,488	\$99,141	\$21,347
Special Revenue	274,873	126,339	148,534
Debt Service	52,840	31,647	21,193
Capital Projects	4,745	4,745	
Total	\$452,946	\$261,872	\$191,074

**BLOOM TOWNSHIP  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,623	\$112,464	\$10,841
Special Revenue	148,138	161,922	13,784
Debt Service	38,000	41,471	3,471
Capital Projects	20,000	17,146	(2,854)
Total	\$307,761	\$333,003	\$25,242

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$100,523	\$94,999	\$5,524
Special Revenue	255,924	143,756	112,168
Debt Service	43,043	32,674	10,369
Capital Projects	30,145	22,546	7,599
Total	\$429,635	\$293,975	\$135,660

**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, 2002 was as follows:

General Obligation Bonds	Principal	Interest Rate
	\$154,000	Variable

The general obligation bonds were issued to finance the purchase of a new fire truck to be used for fire protection for the Township. The bonds are collateralized solely by the Township's taxing authority.



**BLOOM TOWNSHIP  
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

Year ending December 31:	General Obligation Bonds
2003	\$29,321
2004	28,765
2005	27,687
2006	26,587
2007	25,465
Subsequent	47,957
Total	\$185,782

**6. RETIREMENT SYSTEMS**

The Township's 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 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**7. RISK MANAGEMENT**

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Authority Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Vehicle; and
- Wrongful Acts coverage.

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2001	2000
Cash and investments	\$23,703,776	\$22,684,383
Actuarial liabilities	\$9,379,003	\$8,924,977

The Township also provides health insurance coverage to the full-time employee through a private carrier.

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**Auditor of State  
Betty Montgomery**

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

Bloom Township  
Seneca County  
5051 East County Road 12  
P.O. Box 57  
Bloomville, Ohio 44818-0057

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Seneca County, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated January 17, 2003. 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 immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated January 17, 2003.

**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.

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 17, 2003

**BLOOM TOWNSHIP  
SENECA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain:</b></i>
2000-40574-001	Ohio Revised Code § 5705.41(D), failure to certify funds.	Yes	





**Auditor of State  
Betty Montgomery**

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Columbus, Ohio 43216-1140

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**BLOOM TOWNSHIP**

**SENECA 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  
MARCH 18, 2003**