

Bloomfield Township

Jackson County, Ohio

Regular Audit

For the Years Ended December 31, 2004 and 2003

BALESTRA, HARR & SCHERER, CPAs, INC.

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**Auditor of State
Betty Montgomery**

Board of Trustees
Bloomfield Township
Jackson, Ohio

We have reviewed the *Independent Auditor's Report* of Bloomfield Township, Jackson County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Bloomfield Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 27, 2006

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**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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Ohio Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Bloomfield Township
Jackson County, Ohio
3235 State Route 327
Jackson, Ohio 45640

We have audited the accompanying financial statements of the Bloomfield Township, Jackson County, (the Township) as of and for the years ended December 31, 2004 and 2003. 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 reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes on permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United State of America, we presume they are material.

Revisions to GAAP require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts are materially misstated under accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Bloomfield Township, Jackson County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

Board of Trustees
Bloomfield Township
Jackson County
Independent Auditor's Report
Page 2

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2005, 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 testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.
November 14, 2005

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$22,626	\$40,750	\$ 0	\$63,376
Intergovernmental	32,169	85,926	82,321	200,416
Earnings on Investments	73	147	0	220
Other Revenue	0	173	129	302
	<u>54,868</u>	<u>126,996</u>	<u>82,450</u>	<u>264,314</u>
Total Cash Receipts				
	<u>54,868</u>	<u>126,996</u>	<u>82,450</u>	<u>264,314</u>
Cash Disbursements:				
Current:				
General Government	44,714	0	0	44,714
Health	5,771	0	0	5,771
Public Safety	0	28,692	0	28,692
Public Works	0	89,356	0	89,356
Debt Service:				
Redemption of Principal	0	8,836	0	8,836
Interest and Fiscal Charges	0	1,614	0	1,614
Capital Outlay	0	0	185,957	185,957
	<u>50,485</u>	<u>128,498</u>	<u>185,957</u>	<u>364,940</u>
Total Cash Disbursements				
	<u>50,485</u>	<u>128,498</u>	<u>185,957</u>	<u>364,940</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>4,383</u>	<u>(1,502)</u>	<u>(103,507)</u>	<u>(100,626)</u>
Other Financing Receipts:				
Proceeds from the Sale of Notes	0	0	100,000	100,000
	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Total Other Financing Receipts				
	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	4,383	(1,502)	(3,507)	(626)
Fund Cash Balances, January 1	<u>20,009</u>	<u>26,443</u>	<u>28,648</u>	<u>75,100</u>
Fund Cash Balances, December 31	<u><u>\$24,392</u></u>	<u><u>\$24,941</u></u>	<u><u>\$25,141</u></u>	<u><u>\$74,474</u></u>

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$22,836	\$41,401	\$ 0	\$64,237
Intergovernmental	25,309	113,417	75,539	214,265
Earnings on Investments	150	300	0	450
Other Revenue	3,404	35	5,000	8,439
	<u>51,699</u>	<u>155,153</u>	<u>80,539</u>	<u>287,391</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	45,718	0	0	45,718
Health	4,996	0	0	4,996
Public Safety	0	29,777	0	29,777
Public Works	0	85,999	75,439	161,438
Other		29,298	0	29,298
Debt Service:				0
Redemption of Principal	0	8,355	0	8,355
Interest and Fiscal Charges	0	2,095	0	2,095
	<u>50,714</u>	<u>155,524</u>	<u>75,439</u>	<u>281,677</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>985</u>	<u>(371)</u>	<u>5,100</u>	<u>5,714</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	985	(371)	5,100	5,714
Fund Cash Balances, January 1	<u>19,024</u>	<u>26,814</u>	<u>23,548</u>	<u>69,386</u>
Fund Cash Balances, December 31	<u><u>\$20,009</u></u>	<u><u>\$26,443</u></u>	<u><u>\$28,648</u></u>	<u><u>\$75,100</u></u>

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

**BLOOMFEILD TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bloomfield Township, Jackson 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 road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Bloomfield Township Volunteer Fire Department to provide fire 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. 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.

Fire Fund – This fund receives property tax money to purchase fire equipment and provide fire protection services to residents of the Township.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Capital Projects 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 Projects Fund:

Sales Tax-Permanent Improvement – This fund receives a portion of the monies collected for sales tax from the County Auditor for permanent improvement and repayment of debt relating to capital expenditures.

D. 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 measures. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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. The Township did not use the encumbrance method of accounting.

A summary of 2004 and 2003 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.

2. EQUITY IN POLLED CASH AND INVESTMENTS

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

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$74,474</u>	<u>\$75,100</u>

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
General	46,872	54,868	7,996
Total Special Revenue	114,079	126,996	12,917
Capital Projects	80,539	182,450	101,911
Total	241,490	364,314	122,824

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
General	66,880	50,485	16395
Special Revenue	140,515	128,498	12,017
Capital Projects	109,186	185,957	(76,771)
Total	316,581	364,940	(48,359)

2003 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
General	45,674	51,699	6,025
Special Revenue	156,730	155,153	(1,577)
Capital Projects	73,229	80,539	7,310
Total	275,633	287,391	11,758

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
General	63,290	50,714	12,576
Special Revenue	182,892	155,524	27,368
Capital Projects	96,777	75,439	21,338
Total	342,959	281,677	61,282

Contrary to Ohio law, the Township's budgetary expenditures exceeded appropriation authority in the Capital Projects fund by \$76, 711 in 2004.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

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, 2004 was as follows:

	Principal	Interest Rate
Backhoe Loan	19,223	5.75%
Township Building Loan	100,000	4.19%
Total	119,223	

The backhoe loan was issued for the purchase of a new backhoe to be used for Township road maintenance. This note is collateralized solely by the backhoe. The Township building loan was issued to build a new Township hall. This note is collateralized solely by Township assets.

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

	Backhoe Loan	Township Building
Year ending December 31:		
2005	10,450	13,566
2006	10,449	13,566
2007	0	13,566
2008	0	13,566
2009-2013	0	67,830
Total	20,899	122,094

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.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

6. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

Risk Pool Membership

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 insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000 on any specific loss. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do 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 retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2003</u>	<u>2004</u>
Assets	\$27,792,223	\$30,687,203
Liabilities	<u>(11,791,300)</u>	<u>(13,640,962)</u>
Retained Earnings	<u>\$16,000,923</u>	<u>\$17,046,241</u>

<u>Property Coverage</u>		
Assets	\$6,791,060	\$7,779,073
Liabilities	<u>(750,956)</u>	<u>(753,906)</u>
Retained Earnings	<u>\$6,040,104</u>	<u>\$7,045,167</u>

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of Board of Trustees
Bloomfield Township
Jackson County
3235 State Route 327
Jackson, Ohio 45640

We have audited the financial statements of the Bloomfield Township, Jackson County, Ohio (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated November 14, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

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 opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 grant agreements, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2004 – 001 and 2004 – 002.

We noted other matters that have been reported to the management of the Township in a separate letter dated November 14, 2005.

Members of Board of Trustees
Bloomfield Township
Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Governmental Auditing Standards*
Page 2

This report is intended for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under Section 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 cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

November 14, 2005

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2004-001

Noncompliance Citation

Ohio Admin. Code § 117-2-02 states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code. All local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- (1) Cash journal, which typically contains the following information: The amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- (2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payer, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- (3) Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns

The Township Clerk did not maintain an appropriation ledger or a receipts ledger during the audit period. These two records aid in monitoring financial information including budget versus actual receipts and expenditures. Since instances of estimated receipts exceeding actual receipts and expenditures exceeding appropriations were noted in the current audit period, these ledgers could be used as a tool to ensure budgetary compliance.

We recommend the Clerk maintain an appropriation ledger and a receipts ledger to help ensure budgetary compliance.

FINDING NUMBER 2004-002

Noncompliance Citation

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

The Township did not appropriate money that was expended in the FEMA fund.

We recommend the Clerk and Trustees review budgetary financial reports to ensure expenditures do not exceed appropriations. The Clerk should deny payment requests exceeding appropriations. The Clerk should request the Board of Trustees to approve an amended certificate.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-001	Material Citation with regard to negative fund balances.	Yes	Corrected.
2002-002	Material Citation with regard to the obligation of Township funds without prior certification of available revenue from the fiscal officer.	No	Not Corrected. Reissued as Finding 2004 – 002
2002-003	Noncompliance Citation with regard to expenditure of money unless attached there to a certificate.	Yes	Corrected
2002-004	Noncompliance Citation with regard to maintaining of an accounting system.	No	Not Corrected. Reissued as Finding 2004 – 001
2002-05	Finding for Recovery with regard to overpayment of employee wages	Yes	Corrected



**Auditor of State
Betty Montgomery**

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BLOOMFIELD TOWNSHIP

JACKSON 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 9, 2006**