



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2007**



**Mary Taylor, CPA**  
Auditor of State



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements - December 31, 2007:	
Statement of Net Assets - Cash Basis.....	11
Statement of Activities - Cash Basis.....	12
Fund Financial Statements - December 31, 2007:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds.....	13
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds.....	14
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual - Budget Basis - General Fund.....	15
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual - Budget Basis - Road and Bridge Fund.....	16
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual - Budget Basis - Fire District Fund.....	17
Statement of Receipts, Disbursements and Change in Fund Balance - Budget and Actual - Budget Basis - Road District Fund.....	18
Notes to the Basic Financial Statements.....	19
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Bloom Township  
Fairfield County  
8490 Lithopolis Road NW  
Carroll, Ohio 43112

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloom Township, Fairfield County, Ohio (the Township), as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bloom Township, Fairfield County, Ohio, as of December 31, 2007, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Road and Bridge, Fire District, and Road District Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 9, 2009

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED**

---

This discussion and analysis of the Bloom Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Financial Highlights**

Key highlights for 2007 are as follows:

- Net assets of governmental activities increased \$633,447 or 26 percent, a significant change from 2006. Contributing to the increase in net assets were the General, Road and Bridge, and Reserve Fire Building Funds which increased by \$525,085 combined.
- The General Fund increased by \$192,574 or 51% as interest earnings and estate tax receipts increased 16% and 654%, respectively from 2006.
- The Reserve Fire Building Fund increased by \$150,000 or 58% as the Township continues to reserve funds for a future fire substation. The Road and Bridge Fund increased by \$182,511 or 45 percent. The increase was affected by delayed major road projects and by funds earmarked for the Township's share of an Issue I project application.
- General receipts are primarily real estate taxes and state and local government funds. These receipts represent 88 percent of the total cash received for governmental activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**Report Components**

The *Statement of Net Assets* and the *Statement of Activities* provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

---

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting Bloom Township as a Whole**

The *Statement of Net Assets* and the *Statement of Activities* reflect how the Township did financially during 2007, within the limitations of cash basis accounting. The *Statement of Net Assets* presents the cash balances of the governmental activities of the Township at year end. The *Statement of Activities* compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

The *Statement of Net Assets* and the *Statement of Activities* present governmental activities, which includes all the Township's services. The Township had no business-type activities.

Governmental Activities represent most of the Township's basic services, including fire protection and road maintenance. State and local government grant entitlements and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting Bloom Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds - not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are reported entirely in governmental funds.

*Governmental Funds:* The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Road & Bridge, Fire District Fund, Road Improvement, and Reserve Fire Building Funds. The programs reported in governmental funds are the same as those reported in governmental activities on the entity-wide statements.



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

**Bloom Township as a Whole**

Table 1 provides a summary of Bloom Township's net assets for 2007 compared to 2006:

**(Table 1)  
Net Assets**

	Governmental Activities		
	2007	2006	Variance
<b>Assets</b>			
Cash and Cash Equivalents	\$3,055,732	\$2,211,267	\$844,465
Investments	0	211,018	(211,018)
<b>Total Assets</b>	<b>\$3,055,732</b>	<b>\$2,422,285</b>	<b>\$633,447</b>
<b>Net Assets</b>			
Restricted for:			
Capital Outlay	\$409,000	\$259,000	\$150,000
Other Purposes	2,006,011	1,787,999	218,012
Unrestricted	640,721	375,286	265,435
<b>Total Net Assets</b>	<b>\$3,055,732</b>	<b>\$2,422,285</b>	<b>\$633,447</b>

As mentioned previously, net assets of governmental activities increased \$633,447 or 26 percent during 2007. The primary reasons contributing to the increases in cash balances are as follows:

- The General Fund cash balance increased from \$375,285 to \$567,860 or 51 percent. This was due to the increases in interest earnings of \$19,026 or 16%, and due to the unanticipated increase in estate tax receipts of \$103,076 or 654% during the year.
- The Road and Bridge Fund increased by \$182,511 or 45% because of delaying major road projects to reserve funds earmarked for the Township's share of an Issue I project application.
- The Reserve Fire Building Fund increased by \$150,000 to \$409,000 during the year due to the allocation of funds for a future fire substation.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

Table 2 shows the changes in net assets in 2007 compared to changes in net assets in 2006.

**(Table 2)  
Changes in Net Assets**

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Change <u>2007 to 2008</u>
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$116,770	\$120,314	(\$3,544)
Operating Grants, Contributions and Interest	166,892	166,860	32
Total Program Receipts	<u>283,662</u>	<u>287,174</u>	<u>(3,512)</u>
General Receipts:			
Property and Other Local Taxes	2,553,961	2,487,898	66,063
Grants and Entitlements Not Restricted to Specific Programs	575,239	451,055	124,184
Interest	140,374	121,348	19,026
Cable Franchise Fees	4,688	0	4,688
Sale of Capital Assets	536	15,883	(15,347)
Miscellaneous	12,324	11,588	736
Total General Receipts	<u>3,287,122</u>	<u>3,087,772</u>	<u>199,350</u>
Total Receipts	<u>3,570,784</u>	<u>3,374,946</u>	<u>195,838</u>
Disbursements:			
General Government	250,952	228,547	22,405
Public Safety	1,761,285	1,655,646	105,639
Public Works	845,421	726,018	119,403
Public Health Services	40,000	40,433	(433)
Capital Outlay	39,679	99,715	(60,036)
Debt Service:			
Principal Retirement	0	31,412	(31,412)
Interest and Fiscal Charges	0	1,975	(1,975)
Total Disbursements	<u>2,937,337</u>	<u>2,783,746</u>	<u>153,591</u>
Increase (Decrease) in Net Assets	633,447	591,200	42,247
Net Assets, January 1	<u>2,422,285</u>	<u>1,831,085</u>	<u>591,200</u>
Net Assets, December 31	<u>\$3,055,732</u>	<u>\$2,422,285</u>	<u>\$633,447</u>

Program receipts represent only 8 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, and charges to Madison Township and Pickaway County for fire and emergency services provided under contracts.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

---

General receipts represent 92 percent of the Township's total receipts, and of this amount, 78 percent are local taxes. State and local government grants and entitlements make up the balance of the Township's general receipts (17 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Trustees, the Fiscal Officer, as well as Zoning Inspector, and insurance. Public Safety is the cost of fire protection; Public Works is the cost of maintaining the roads; Public Health is the Township's assessment for the cost of the County Health Department; and Capital Outlay is the costs for equipment and other improvements of the Township.

**Governmental Activities**

If you look at the *Statement of Activities* on page 12, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works which account for \$2,606,705 or 89 percent of all governmental disbursements. General Government also represents a significant cost, about 9 percent. The next two columns entitled Program Receipts identify amounts paid by people who are directly charged for the services, and the grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost for 2007 is presented in Table 3.

**(Table 3)  
Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$250,952	\$203,938
Public Safety	1,761,285	1,708,106
Public Works	845,421	669,804
Public Health Services	40,000	32,148
Capital Outlay	39,679	39,679
Total Expenses	<u>\$2,937,337</u>	<u>\$2,653,675</u>

The dependence upon property tax receipts is apparent as over 90 percent of governmental activities are supported through these general receipts.

**The Township's Funds**

- Total governmental funds had receipts of \$3,570,784 and disbursements of \$2,937,337. The greatest change within governmental funds from 2006 to 2007 occurred within the Road and Bridge, and Fire Reserve Building Funds.
- Road and Bridge Fund receipts exceeded disbursements by \$183,975 by delaying major road projects to earmark funds for the Township's share of an Issue I Project.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

---

- The fund balance of the Reserve Fire Building Fund increased \$150,000 as the Township continued to save for future fire building expenses through transfers from the Fire District Fund for this future construction project.
- General Fund receipts exceeded disbursements by \$192,574. This was due to increased interest earnings (16%) as well as for estate tax receipts that increased from \$15,755 in 2006 to \$118,831 in 2007.
- In addition to the above, the Fire District Fund receipts exceeded disbursements by \$288,432. This was an anticipated effect of the 2.75 mill levy which was needed to cover planned fire department equipment replacements, to begin the Fire Department's building reserve fund, and to cover negotiated wage increases for the firefighters' 3-year contract.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2007, the Township amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to higher than anticipated interest earnings on the Township's checking account and unanticipated estate tax revenues. The difference between final budgeted receipts and actual receipts was \$11,140.

Although budgeted receipts were amended, appropriations were not amended. Actual disbursements were less than the final budgeted disbursements by \$114,546 due to earned discount points on Workers' Compensation premium, less than anticipated needs for maintenance and repairs, decision to delay paving of the office complex parking lot, and other cost-saving measures.

**Capital Assets and Debt Administration**

*Capital Assets*

The Township does not currently keep track of its capital assets and infrastructure.

*Debt*

The Township has no outstanding debt.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township.

The Fire Department, the Township's largest Fund, has a five-year plan that is revised as needed. The Township continues to contribute to the Building Reserve Fund (created in 2005) for the future construction of fire substation; however, due to rising fire personnel costs, the Township postponed the building project until after it is determined if the 5-year 2.75 mill levy will be replaced or renewed.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
UNAUDITED  
(Continued)**

---

The Township was awarded an Issue 1 grant from the Ohio Public Works Commission (OPWC) in June 2007 for a road improvement project on Kauffman Road. The total cost of the project is \$702,446. OPWC is contributing \$526,132 for the project and the Township's share of the cost is \$176,314. Commencement of the OPWC project was delayed until 2008 due to delays in obtaining work agreements with local residents, and delays in preliminary preparation of the project area regarding tasks to be performed by the Township such as tree and brush removal.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Anthony Pranger, Fiscal Officer, Bloom Township, 8490 Lithopolis Road NW, Carroll, Ohio 43112.

**THIS PAGE INTENTIONALLY LEFT BLANK**

BLOOM TOWNSHIP  
FAIRFIELD COUNTY

*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

---

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u>\$3,055,732</u>
<i>Total Assets</i>	<u><u>\$3,055,732</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$409,000
Other Purposes	2,006,011
Unrestricted	<u>640,721</u>
<i>Total Net Assets</i>	<u><u>\$3,055,732</u></u>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Activities - Cash Basis  
For the Year Ended December 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$250,952	\$45,685	\$1,329	(\$203,938)
Public Safety	1,761,285	29,047	24,132	(1,708,106)
Public Works	845,421	34,186	141,431	(669,804)
Public Health Services	40,000	7,852	0	(32,148)
Capital Outlay	39,679	0	0	(39,679)
<i>Total Governmental Activities</i>	<u>\$2,937,337</u>	<u>\$116,770</u>	<u>\$166,892</u>	<u>(2,653,675)</u>
		<b>General Receipts</b>		
		Property Taxes Levied for:		
		General Purposes	72,742	
		Fire Operations	1,762,198	
		Roads and Bridges	719,022	
		Cable Franchise Fees	4,687	
		Grants and Entitlements not Restricted to Specific Programs	575,239	
		Sale of Capital Assets	536	
		Interest	140,374	
		Miscellaneous	12,324	
		<i>Total General Receipts</i>	<u>3,287,122</u>	
		Change in Net Assets		633,447
		<i>Net Assets Beginning of Year</i>		<u>2,422,285</u>
		<i>Net Assets End of Year</i>		<u><u>\$3,055,732</u></u>

See accompanying notes to the basic financial statements



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2007**

	General	Road and Bridge Fund	Fire District Fund	Road District Fund	Reserve Fire Building Fund	Other Governmental Funds	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$567,860	\$586,240	\$901,292	\$185,836	\$409,000	\$405,504	\$3,055,732
<i>Total Assets</i>	<u>\$567,860</u>	<u>\$586,240</u>	<u>\$901,292</u>	<u>\$185,836</u>	<u>\$409,000</u>	<u>\$405,504</u>	<u>\$3,055,732</u>
<b>Fund Balances</b>							
Unreserved, Designated:							
Designated for Employee Retirements							
Special Revenue Funds	\$0	\$0	\$0	\$0	\$0	\$72,861	\$72,861
Unreserved:							
Undesignated, Reported in:							
General Fund	567,860	0	0	0	0	0	567,860
Special Revenue Funds	0	586,240	901,292	185,836	0	332,643	2,006,011
Capital Projects	0	0	0	0	409,000	0	409,000
<i>Total Fund Balances</i>	<u>\$567,860</u>	<u>\$586,240</u>	<u>\$901,292</u>	<u>\$185,836</u>	<u>\$409,000</u>	<u>\$405,504</u>	<u>\$3,055,732</u>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007**

	General	Road and Bridge Fund	Fire District Fund	Road District Fund	Reserve Fire Building Fund	Other Governmental Funds	Total
<b>Receipts</b>							
Property and Other Local Taxes	\$72,742	\$296,825	\$1,762,198	\$422,197	\$0	\$26,740	\$2,580,702
Charges for Services	0	7,446	29,047	0	0	0	36,493
Licenses, Permits and Fees	5,188	0	0	0	0	53,037	58,225
Intergovernmental	250,892	44,941	238,513	56,241	0	143,199	733,786
Interest	140,374	0	0	0	0	8,344	148,718
Miscellaneous	647	187	1,490	0	0	10,000	12,324
<b>Total Receipts</b>	<b>469,843</b>	<b>349,399</b>	<b>2,031,248</b>	<b>478,438</b>	<b>0</b>	<b>241,320</b>	<b>3,570,248</b>
<b>Disbursements</b>							
Current:							
General Government	207,049	0	0	0	0	43,903	250,952
Public Safety	0	0	1,735,030	0	0	26,255	1,761,285
Public Works	0	164,745	0	545,734	0	134,942	845,421
Public Health Services	39,006	0	0	0	0	994	40,000
Capital Outlay	31,214	679	7,786	0	0	0	39,679
<b>Total Disbursements</b>	<b>277,269</b>	<b>165,424</b>	<b>1,742,816</b>	<b>545,734</b>	<b>0</b>	<b>206,094</b>	<b>2,937,337</b>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<b>192,574</b>	<b>183,975</b>	<b>288,432</b>	<b>(67,296)</b>	<b>0</b>	<b>35,226</b>	<b>632,911</b>
<b>Other Financing Sources (Uses)</b>							
Sale of Capital Assets	0	536	0	0	0	0	536
Transfers In	0	0	0	0	150,000	5,000	155,000
Transfers Out	0	(2,000)	(153,000)	0	0	0	(155,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(1,464)</b>	<b>(153,000)</b>	<b>0</b>	<b>150,000</b>	<b>5,000</b>	<b>536</b>
<b>Net Change in Fund Balances</b>	<b>192,574</b>	<b>182,511</b>	<b>135,432</b>	<b>(67,296)</b>	<b>150,000</b>	<b>40,226</b>	<b>633,447</b>
<b>Fund Balances Beginning of Year</b>	<b>375,286</b>	<b>403,729</b>	<b>765,860</b>	<b>253,132</b>	<b>259,000</b>	<b>365,278</b>	<b>2,422,285</b>
<b>Fund Balances End of Year</b>	<b>\$567,860</b>	<b>\$586,240</b>	<b>\$901,292</b>	<b>\$185,836</b>	<b>\$409,000</b>	<b>\$405,504</b>	<b>\$3,055,732</b>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Receipts, Disbursements and Changes in Fund Balance  
Budget and Actual - Budget Basis - General Fund  
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$70,400	\$70,400	\$72,742	\$2,342
Licenses, Permits and Fees	5,000	5,188	5,188	0
Intergovernmental	136,041	252,115	250,892	(1,223)
Interest	40,000	131,000	140,374	9,374
Miscellaneous	0	0	647	647
<i>Total receipts</i>	<u>251,441</u>	<u>458,703</u>	<u>469,843</u>	<u>11,140</u>
<b>Disbursements</b>				
Current:				
General Government	305,815	305,815	207,049	98,766
Public Health Services	41,000	41,000	39,006	1,994
Capital Outlay	45,000	45,000	31,214	13,786
<i>Total Disbursements</i>	<u>391,815</u>	<u>391,815</u>	<u>277,269</u>	<u>114,546</u>
<i>Net Change in Fund Balance</i>	(140,374)	66,888	192,574	125,686
<i>Fund Balance Beginning of Year</i>	374,371	374,371	374,371	0
Prior Year Encumbrances Appropriated	915	915	915	0
<i>Fund Balance End of Year</i>	<u>\$234,912</u>	<u>\$442,174</u>	<u>\$567,860</u>	<u>\$125,686</u>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Receipts, Disbursements and Changes in Fund Balance  
Budget and Actual - Budget Basis - Road and Bridge Fund  
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$282,500	\$297,110	\$296,825	(\$285)
Charges for Services	0	7,446	7,446	0
Intergovernmental	38,500	43,875	44,941	1,066
Miscellaneous	0	0	187	187
<i>Total receipts</i>	<u>321,000</u>	<u>348,431</u>	<u>349,399</u>	<u>968</u>
<b>Disbursements</b>				
Current:				
Public Works	568,050	568,050	164,745	403,305
Capital Outlay	8,000	8,000	679	7,321
<i>Total Disbursements</i>	<u>576,050</u>	<u>576,050</u>	<u>165,424</u>	<u>410,626</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(255,050)</u>	<u>(227,619)</u>	<u>183,975</u>	<u>411,594</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	536	536
Transfers Out	(2,000)	(2,000)	(2,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(1,464)</u>	<u>536</u>
<i>Net Change in Fund Balance</i>	(257,050)	(229,619)	182,511	412,130
<i>Fund Balance Beginning of Year</i>	400,729	400,729	400,729	0
Prior Year Encumbrances Appropriated	3,000	3,000	3,000	0
<i>Fund Balance End of Year</i>	<u>\$146,679</u>	<u>\$174,110</u>	<u>\$586,240</u>	<u>\$412,130</u>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Receipts, Disbursements and Changes in Fund Balance  
Budget and Actual - Budget Basis - Fire District Fund  
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$1,674,300	\$1,762,198	\$1,762,198	\$0
Charges for Services	21,000	29,047	29,047	0
Intergovernmental	230,700	238,923	238,513	(410)
Miscellaneous	0	1,490	1,490	0
<i>Total receipts</i>	<u>1,926,000</u>	<u>2,031,658</u>	<u>2,031,248</u>	<u>(410)</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,969,037	2,004,037	1,735,030	269,007
Capital Outlay	35,000	84,823	7,786	77,037
<i>Total Disbursements</i>	<u>2,004,037</u>	<u>2,088,860</u>	<u>1,742,816</u>	<u>346,044</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(78,037)</u>	<u>(57,202)</u>	<u>288,432</u>	<u>345,634</u>
<b>Other Financing (Uses)</b>				
Transfers Out	(237,823)	(153,000)	(153,000)	0
<i>Total Other Financing (Uses)</i>	<u>(237,823)</u>	<u>(153,000)</u>	<u>(153,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(315,860)	(210,202)	135,432	345,634
<i>Fund Balance Beginning of Year</i>	765,788	765,788	765,788	0
Prior Year Encumbrances Appropriated	72	72	72	0
<i>Fund Balance End of Year</i>	<u><u>\$450,000</u></u>	<u><u>\$555,658</u></u>	<u><u>\$901,292</u></u>	<u><u>\$345,634</u></u>

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**Statement of Receipts, Disbursements and Changes in Fund Balance  
Budget and Actual - Budget Basis - Road District Fund  
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$410,000	\$422,500	\$422,197	(\$303)
Intergovernmental	56,000	56,000	56,241	241
<i>Total receipts</i>	466,000	478,500	478,438	(62)
<b>Disbursements</b>				
Current:				
Public Works	645,000	645,000	545,734	99,266
<i>Total Disbursements</i>	645,000	645,000	545,734	99,266
<i>Net Change in Fund Balance</i>	(179,000)	(166,500)	(67,296)	99,204
<i>Fund Balance Beginning of Year</i>	253,132	253,132	253,132	0
<i>Fund Balance End of Year</i>	\$74,132	\$86,632	\$185,836	\$99,204

See accompanying notes to the basic financial statements

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

---

**Note 1 - Reporting Entity**

Bloom Township, Fairfield County, Ohio (the Township), is a body politic and corporate established in 1803 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, fire protection and emergency medical services, maintenance of Township roads and bridges, and cemetery maintenance.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

**C. Jointly Governed Organization and Public Entity Risk Pool**

The Township participates in a jointly governed organization and a public entity risk pool. Notes 6 and 11 to the financial statements provides additional information for these entities. These organizations are:

*Jointly Governed Organization:* Fairfield County Regional Planning Commission

*Public Entity Risk Pool:* Ohio Township Association Risk Management Authority

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. All of the Township's activities are governmental.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, and grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are put into one category, governmental.

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township reports the following major governmental funds:

**General Fund.** The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**Road and Bridge Fund.** The Road and Bridge Fund accounts for revenues derived from real estate and personal property taxes for constructing, maintaining, and repairing Township roads and bridges.

**Fire District Fund.** The Fire District Fund accounts for revenues derived from real estate and personal property taxes for providing fire protection and emergency medical services to the Township.

**Reserve Fire Building Fund.** The Reserve Fire Building Fund, established under ORC 5705.13, accounts for the accumulation of resources for the future construction of a fire department building.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 negative receipts, respectively.

During 2007, the Township invested in STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2007.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 were \$140,374.

**F. Restricted Assets**

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has no restricted assets.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

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

**I. Accumulated Leave**

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

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 2 – Summary of Significant Accounting Policies** (Continued)

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Lease payments are reported when paid. The Township has no long-term obligations.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for the maintenance of roads and bridge and for fire protection services. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Net assets restricted for capital projects include resources restricted for the construction of a fire department building.

**M. Fund Balance Reserves and Designations**

The Township reserves and designates any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Designated fund balance indicates the portion of fund balance which is set aside for the purpose of future payment of employees' retirement, and the future construction of a Fire Department. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Township has no fund balance reserves.

**N. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Road and Bridge, Fire District, and Road District Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**  
(Continued)

---

**Note 4 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

**Note 4 – Deposits and Investments** (Continued)

*Deposits:* Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,247,014 of the Township's bank balance of \$2,347,014 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2007, the Township had the following investments:

	Carrying Value
STAR Ohio	<u>\$752,758</u>
Total Portfolio	<u><u>\$752,758</u></u>

Investment Type	Carrying Value	Less than 1 year Maturity			
STAR Ohio	<u>\$752,758</u>	<u>\$752,758</u>			
Total Investments	<u><u>\$752,758</u></u>	<u><u>\$752,758</u></u>			

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township has no policy for interest rate risk beyond the requirements of State statute.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk: The Township places no limit on the amount that may be invested in any one issuer. 100% of the Township's investments are with STAR Ohio.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

---

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2007, was \$18.05 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$200,639,700
Public Utility Property	5,495,630
Tangible Personal Property	653,618
Total Assessed Values	<u>\$206,788,948</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 6 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 6 – Risk Management** (Continued)

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Traveler's provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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 township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2007 and 2006:

<u>Casualty Coverage</u>	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Retained earnings	<u>\$29,852,866</u>	<u>\$29,921,614</u>

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 6 – Risk Management** (Continued)

At December 31, 2007 and 2006, respectively, liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$36,022. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership. The Townships contributions to OTARMA for the past three years are as follows:

<u>Year</u>	<u>Contribution</u>
2007	\$38,321
2006	43,200
2005	38,926

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7– Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs, and township police) and public safety divisions exist only within the traditional plan.



**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

---

**Note 7– Defined Benefit Pension Plan** (Continued)

**A. Ohio Public Employees Retirement System** (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll and public safety members contributed 9.75 percent.

The Township's contribution rate for 2007 was 13.85 percent, except for those plan members in public safety, for whom the Township's contribution was 17.17 percent of covered payroll. For the period January 1, through June 30, 2007, a portion of the Township's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment healthcare plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent, except for public safety, where the maximum employer contribution rate is 18.1 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$31,898, \$28,569, and \$23,494, respectively; 76 percent has been contributed for 2007, and 100 percent has been contributed for 2006 and 2005.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are established by State statute. For 2007, a portion of the Township's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment healthcare plan. The Township's contributions to OP&F for firefighters were \$212,410 for the year ended December 31, 2007, \$187,077 for the year ended December 31, 2006, and \$111,264 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 75 percent has been contributed for 2007.

**C. Social Security**

Part-time firefighters, EMT, and paramedics contribute to Social Security (FICA). Contribution rates are approved by the United States Congress. Members contributed 6.2 percent of their gross wages to FICA and the Township matches that contribution in an amount equal to 6.2 percent. The Township has paid all contributions required through December 31, 2007.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

---

**Note 8 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The postemployment healthcare plan was established under, and is administered in accordance with Internal Revenue Code 401(h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety). Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

The Traditional Pension Plan and Combined Plans had 364,076 active contributing participants as of December 31, 2007.

The rates stated above, are the contractually required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment benefits. The portion of your employer contributions that were used to fund post-employment benefits can be approximated by multiplying actual employer contributions for January 1 through June 30, 2007 by 0.3631 for state employers, 0.3610 for local government employers, and 0.2912 for both law enforcement and public safety employers. For the period July 1 through December 31, 2007, multiply the actual employer contributions by 0.4357 for state employers, 0.4332 for local government employers, and 0.3494 for both law enforcement and public safety employers.

The amount of \$12.8 billion represents the actuarial funding value of OPERS net assets available for OPEB at December 31, 2007 (the latest information available).

Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007 (the latest information available, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

---

**Note 8 – Postemployment Benefits** (Continued)

**A. Ohio Public Employees Retirement System** (Continued)

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage. Active members do not make contributions to the postemployment healthcare plan.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2007, 2006, and 2005 were \$1,755, \$1,286, and \$940, respectively; 76 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits, including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium, and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members currently 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

**BLOOM TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

(Continued)

---

**Note 8 – Postemployment Benefits** (Continued)

**B. Ohio Police and Fire Pension Fund** (Continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F for the years ended December 31, 2007, 2006, and 2005 were \$14,338, \$14,498, and \$8,345, respectively, of which \$4,029, \$4,683, and \$2,695, respectively, was allocated to the health care plan. 75 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005.

**Note 9 – Interfund Transfers**

During 2007 the following transfers were made:

Transfers from the Fire District to:	
Reserve Fire Building Fund	\$150,000
Other Governmental Funds	3,000
Total Transfers from the Fire District	<u>\$153,000</u>
Transfers from the Road and Bridge Fund to:	
Other Governmental Funds	<u>\$2,000</u>
Total Transfers from the Road and Bridge Fund	<u>\$2,000</u>

The transfer from the Fire District Fund to the Reserve Fire Building and Other Governmental Funds are for the reserve fund established under ORC 5705.13(C) for future construction of a fire department building and the allocation of unrestricted receipts to a reserve fund for fire employee's retirement contributions. The transfer from the Road and Bridge Fund to Other Governmental Funds represents the allocation of unrestricted receipts to a reserve fund for road employee's retirement contributions.

**Note 10 – Contingent Liabilities**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, they believe the resolution of the matter will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 11 – Jointly Governed Organization**

*Fairfield Regional Planning Commission* - The Township appoints a member of the Board of Trustees to represent the Township on the 47 member board of the Fairfield Regional Planning Commission. The Township pays a small membership fee annually based on the per capita of the Township. In 2007, the Township's membership amount was \$577. There is no ongoing financial responsibility by the Township.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Bloom Township  
Fairfield County  
8490 Lithopolis Road NW  
Carroll, Ohio 43112

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloom Township, Fairfield County, Ohio (the Township), as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 9, 2009, wherein we noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 9, 2009



Mary Taylor, CPA  
Auditor of State

**BLOOM TOWNSHIP**

**FAIRFIELD 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  
NOVEMBER 24, 2009**