



Dave Yost • Auditor of State

**Bloom Township
Scioto County**

Fiscal Emergency Termination

Local Government Services

Bloom Township, Scioto County

Fiscal Emergency Termination

Table of Contents

Certification 1

Report on the Termination of Bloom Township
Financial Planning and Supervision Commission 3

Section 1 - Financial Accounting and Reporting System 4

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence
of Fiscal Emergency Conditions 22

Section 3 - Financial Plan Objectives 25

Section 4 - Financial Forecast..... 26

Disclaimer 26

Appendix A
 Bloom Township Financial Forecast
 For the Years Ending December 31, 2017 through December 31, 2021

This page intentionally left blank



Dave Yost • Auditor of State

CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of Bloom Township, the Auditor of State performed an analysis of Bloom Township to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that Bloom Township no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of Bloom Township and its role in the operation of the Bloom Township is terminated as of December 8, 2017.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Duane Hagan, Chairman of the Board of Trustees; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; Jon Husted, Secretary of State; and David Green, Scioto County Auditor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

December 8, 2017

This page intentionally left blank

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Report on the Termination of Bloom Township Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission (the Commission) of Bloom Township, Scioto County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages four through twenty-two of the report indicate that the Township has effectively implemented or is in the process of implementing corrections to its financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page twenty-two.

We have reviewed the objectives of the financial plan and determined that the Township has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page twenty-five.

We examined and issued a non-adverse report on the five-year forecast prepared by the Township. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of Bloom Township, the Auditor of State of Ohio, the Governor of Ohio, the Chairman of the Board of Trustees of Bloom Township, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System

When a Township is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Township's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of Bloom Township (the Township) and issued a Report on Accounting Methods, dated October 16, 2007. The report identified areas where the Township's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct these issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary System

Auditor of State Comment from Report on Accounting Methods

The Township uses a numeric chart of accounts as part of the accounting system; however, the appropriation resolution is prepared using an older alphanumeric chart of accounts. The fiscal officer should prepare the appropriation resolution using the numeric account codes so that appropriated amounts can be traced to the same funds and accounts in the accounting system.

Implemented

The fiscal officer prepares the appropriation resolution using the numeric account codes so that appropriated amounts can be traced to the same funds and accounts in the accounting system.

Auditor of State Comment from Report on Accounting Methods

Section 5705.36, Revised Code, requires on or about the first day of each fiscal year, the fiscal officer shall certify to the county auditor the total amount from all sources available for expenditure from each fund, including any unencumbered balances that existed at the end of the preceding fiscal year. For 2006, the year-end balances were certified on February 17, 2006. The fiscal officer should certify the year-end balances in January immediately after the close of the financial records for the prior year.

Implemented

The 2016 year-end balances were certified to the County Auditor on January 9, 2017.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

Section 5705.39, Revised Code, states, “No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate.” The Trustees and fiscal officer must allow for sufficient time between the passage of an appropriation resolution and the receipt of a certificate from the County Auditor so that obligations are not authorized prior to appropriations becoming effective.

Implemented

The Township received a certificate from the County Auditor that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. The Trustees and fiscal officer allow for sufficient time between the passage of an appropriation resolution and the receipt of a certificate from the County Auditor so that obligations are not authorized prior to appropriations becoming effective.

Auditor of State Comment from Report on Accounting Methods

Section 5705.39, Revised Code, requires that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from. The fiscal officer does not compare available resources on the Official or Amended Certificate of Estimated Resources to appropriations. The fiscal officer should document the comparison of appropriations to estimated resources. This comparison should be presented to the Trustees upon request for appropriations demonstrating the effect of adopting the appropriations and that compliance with budgetary requirements exists.

Implemented

Total appropriations from each fund do not exceed the total of the estimated revenue available for expenditure there from. Within the minutes, the fiscal officer documents the comparison of appropriations to the total available resources and presents the information to the Trustees demonstrating the effect of adopting the appropriations and that compliance with budgetary requirements exist.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should enter all estimated receipts and appropriations into the accounting system and reconcile the amounts in the system to the most current Amended Certificate of Estimated Resources and the aggregate of the annual and supplemental appropriation resolutions. The reconciliation should be performed each time amendments to these documents are approved and entered into the accounting system and the reconciliation should be documented.

Implemented

The fiscal officer enters all estimated receipts and appropriations into the accounting system and reconciles the amounts in the system to the most current Amended Certificate of Estimated Resources and the aggregate of the annual and supplemental appropriation resolutions. The reconciliation is performed each time amendments to these documents are approved and entered into the accounting system.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Chart of Fund and Account Codes

Auditor of State Comment from Report on Accounting Methods

The fiscal officer establishes new funds. New funds should be created by a resolution that identifies the purpose of the funds, revenue sources and allowable expenditures, and the section of the law that allows or requires the funds to be created.

Implemented

The fiscal officer has not created any new funds since 2011. State statute allowed for the creation of this fund and a resolution was passed by the Trustees to establish the fund.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not use appropriate account codes to accurately classify transactions. For instance, the fiscal officer would record the purchase of office supplies under the account code 1000.110.420 operating supplies when the proper account code is 1000.110.410 office supplies. The fiscal officer should use an account code that appropriately describes the transaction. Account codes and descriptions are in the Uniform Accounting Network Manual and the Ohio Township Handbook.

Implemented

The Fiscal Officer uses account codes that appropriately describe the transactions according to descriptions in the Uniform Accounting Network Manual and the Ohio Township Handbook.

Revenue Activity

Auditor of State Comment from Report on Accounting Methods

Deposits should be made in accordance with Section 9.38 of the Revised Code. Currently, the checks or cash received by the fiscal officer accumulate on her desk until she posts the receipts into the accounting system. After the fiscal officer posts the receipts into the accounting system, a deposit is prepared and kept in the fiscal officer's residence until the deposit is made at the bank, which usually occurs on a semi-monthly basis. Receipts should be posted to the accounting system in a timely manner. The fiscal officer should post receipts upon receiving moneys to allow the accounting system to accurately reflect unrealized budgeted revenues. The fiscal officer should also deposit moneys on the next business day following the day of receipt as required by Section 9.38, Revised Code. If the total amount of moneys received does not exceed one thousand dollars, the legislative authority may adopt a policy permitting a different time period, not to exceed three business days following the day of receipt for making such deposits. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited.

Implemented

The Board of Trustees adopted a policy under Ohio Revised Code Section 9.38 allowing moneys received under one thousand dollars, to be deposited within three business days following the day of receipt. Receipts are posted to the accounting system in a timely manner. The policy includes provisions and procedures to safeguard the public moneys until they are deposited. The fiscal officer posts receipts upon receiving moneys to allow the accounting system to accurately reflect unrealized budgeted revenues.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not always store deposits in secure locations. Deposits should be stored in a secure location until the time of deposit occurs.

Implemented

The fiscal officer stores deposits in secure locations until the time of deposit occurs. The fiscal officer has two lock boxes: one contains blank checks and, when not being utilized, it is locked inside the fiscal officers' home residence. The second lock box is kept in the fiscal officers' office building inside a locked filing cabinet. Both boxes are utilized to store deposits if they cannot be deposited into the bank on the same day. The fiscal officer is the only one with keys to both boxes. Both keys are kept inside the fiscal officer s' residence and are only removed when being utilized. Neither key is marked as a lock box key.

Auditor of State Comment from Report on Accounting Methods

Receipts from major revenue sources are not posted to the proper fund and account in the proper amounts. The fiscal officer often records homestead and rollback receipts for the Road and Bridge Fund to the General Fund. The fiscal officer also records real estate taxes net of all deductions. All property tax revenues should be recorded at gross and then all associated fees should be recorded as disbursements. The fiscal officer should read and familiarize herself with the account definitions so that receipts are posted to an appropriate account.

Implemented

Receipts from major revenue sources are posted to the proper fund and account in the proper amounts. All property tax revenues are recorded at gross and all associated fees are recorded as disbursements. The fiscal officer is posting receipts into the appropriate accounts.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should note receipt numbers on deposit slips to assist in tracing the receipts to the deposits on the bank statement.

Implemented

The fiscal officer includes receipt numbers on deposit slips to assist in tracing the receipts to the deposits on the bank statement. The deposit slips also contain detailed descriptions of the deposits being made along with copies of each accounting system receipt and supporting documentation.

Auditor of State Comment from Report on Accounting Methods

The Township should issue copies of the receipts to the appropriate individuals when applicable. The fiscal officer should print multiple copies of the receipt from the accounting system. One copy should be given to the person making the payment, if in person, while the second copy should be filed in the Township's files.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

The Township issues copies of receipts to the appropriate individuals when applicable. One is printed from the accounting system and is either given or mailed to the person making the payment while the second copy is filed in the Township's files. The fiscal officer also makes a copy of the check for Township records.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not certify funds prior to obligations being incurred. Instead, the fiscal officer uses then and now certificates. The issuance of then and now certificates should be done on an exception basis, not as standard procedure. Purchases should be certified indicating that the amount required to meet the obligation has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance prior to the ordering of the goods or services.

Implemented

The fiscal officer certifies funds prior to obligations being incurred. The issuance of then and now certificates still occurs, but on an exception basis and is no longer a standard procedure. Purchases are certified indicating the amount required to meet the obligation has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance prior to the ordering of the goods or services.

Auditor of State Comment from Report on Accounting Methods

The Board of Trustees has not adopted a resolution for Township officers and/or employees to incur obligations as set forth in Section 507.11, Revised Code. The Board of Trustees should pass a resolution authorizing Township officers and employees to incur obligations of two thousand five hundred dollars or less on behalf of the Township.

Implemented

The Board of Trustees adopts a resolution each year for Township officers and/or employees to incur obligations as set forth in Section 507.11, Revised Code. The resolution authorizes Township officers and employees to incur obligations of two thousand five hundred dollars or less on behalf of the Township.

Auditor of State Comment from Report on Accounting Methods

The Township does not encumber appropriations. Therefore, the accounting software does not reflect the potential outstanding obligations of the Township nor the available balance that remains for operations. The fiscal officer should maintain accurate records by posting transactions correctly and timely in the accounting system to be able to attest to the availability of appropriations and to be able to monitor actual expenditures to the budgeted activity.

Implemented

The Township encumbers appropriations. The fiscal officer maintains accurate records by posting transactions correctly and timely in the accounting system and is able to attest to the availability of appropriations and monitors actual expenditures to the budgeted activity.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

Purchase orders should be distributed to the vendors as documentation of the items and quantities to be purchased and to the Township employees to serve as a checklist for when goods are delivered.

Implemented

Purchase orders are distributed to the vendors as documentation of the items and quantities to be purchased and to the Township employees to serve as a checklist for when goods are delivered.

Auditor of State Comment from Report on Accounting Methods

The Township does not use the Auditor of State Findings for Recovery Database when entering into contracts. Section 9.24, Revised Code, prohibits any State agency or political subdivision from awarding a contract for goods, services, or construction, paid for in whole or in part with State funds, to any person against whom a finding for recovery has been issued by the Auditor of State, if that finding is unresolved. The Township should verify the status of all contractual vendors with the Auditor of State Findings for Recovery Database prior to awarding the contract.

Implemented

The Township uses the Auditor of State Findings for Recovery Database to verify that vendors do not have any outstanding findings for recovery prior to entering into contracts. Verifications are retained by the Fiscal Officer for the annual audit.

Cash Disbursements

Auditor of State Comment from Report on Accounting Methods

Disbursements are made from funds without a cash balance sufficient to cover the amount of the obligation. The Township should only make disbursements from funds which have adequate cash balances to cover the obligation or make advances.

Implemented

Disbursements are no longer made from funds without a cash balance sufficient to cover the amount of the obligation. All funds have adequate cash balances to cover obligations.

Auditor of State Comment from Report on Accounting Methods

When goods are received, the individual receiving the goods should verify the goods received to the packing slip and the receiving copy of the purchase order and sign off on the packing slip and purchase order as proof that the verification process was completed. The packing slip and receiving copy of the purchase order should be sent to the fiscal officer.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

Individuals receiving the goods or services are verifying the goods received agree to the packing slip and the copy of the purchase order. They are signing or initialing the packing slip as proof that the verification process was completed. The packing slip and receiving copy of the purchase order is being given to the fiscal officer.

Auditor of State Comment from Report on Accounting Methods

All invoices should be compared to the receiving report to ensure that the Township has received all items for which it is being billed. All invoices should be compared to the purchase order so that verification of original prices can be made to ensure the Township was not billed at a higher rate than quoted. All invoices should be recomputed ensuring accurate extensions and totals and should be initialed by the individual who performed the re-computation.

Implemented

Invoices are being compared to the receiving report to ensure that the Township has received all items for which it is being billed. All invoices are being compared to the purchase order so that verification of original prices can be made to ensure the Township was not billed at a higher rate than quoted. Invoices are being recomputed ensuring accurate extensions and totals and being initialed by the individual who performed the re-computation.

Auditor of State Comment from Report on Accounting Methods

Invoices are not marked "paid". The fiscal officer should document by either stamping or writing "paid" on the invoices so that duplicate payments will not be made.

Implemented

All invoices are marked "paid". The fiscal officer is documenting by stamping "paid" on the invoices so that duplicate payments will not be made.

Auditor of State Comment from Report on Accounting Methods

Currently, an effective organizational system is not in place at the Township. The fiscal officer maintains all outstanding invoices/bills in a box top on a table in her office. However, this box top also contains matters for attention. All outstanding invoices/bills should be kept in one location in an organized manner.

Implemented

An effective organizational system is in place at the Township. The fiscal officer maintains all outstanding invoices/bills in a manila folder in the filing cabinet in her office. All outstanding invoices/bills are currently kept in one location in an organized manner.

Auditor of State Comment from Report on Accounting Methods

The purchase orders and invoices do not always clearly indicate the items, quantities, and unit cost of each item. The purchase orders and invoices should document in detail what items were received by the Township or what services were rendered.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

Purchase orders and invoices clearly indicate the items, quantities, and unit cost of each item. They document, in detail, what items were expected to be received by the Township or what services were expected to be rendered, what quantities were anticipated and at what cost.

Auditor of State Comment from Report on Accounting Methods

Many times the fiscal officer only receives a summary of the activity (billing statement) that has occurred at a vendor location even though an invoice has been provided to the Township employee initiating the service. This invoice is not always given to the fiscal officer for documentation purposes. All Township employees should make it a practice to return all purchase orders and invoices to the fiscal officer once verification of services has taken place.

Implemented

Detailed invoices are given to the fiscal officer and included with the payment for documentation purposes. All Township employees continue to make it a practice to return all purchase orders and invoices to the fiscal officer once verification of services has taken place.

Auditor of State Comment from Report on Accounting Methods

Sufficient supporting documentation does not exist for all checks issued. All invoices, as well as supporting calculations made by the fiscal officer, or additional documentation to support the services rendered or purchases made, should be attached to the voucher.

Implemented

Sufficient supporting documentation exists for all checks issued. All invoices, as well as supporting calculations made by the fiscal officer, or additional documentation to support the services rendered or purchases made, is attached to the voucher.

Auditor of State Comment from Report on Accounting Methods

Section 507.11, Revised Code, states, "No money belonging to the township shall be paid out, except under an order signed by at least two of the township trustees, and countersigned by the township fiscal officer." At each monthly meeting of the Board of Trustees, the Trustees sign numerous blank checks in order to allow the fiscal officer to make payments as necessary. This practice must stop. The Board should grant the fiscal officer the authority to make payments as necessary during the month. The Trustees should arrange to review the vouchers and sign the checks shortly after they are prepared. The approval of the vouchers and the signing of the checks do not have to be done in a public meeting.

Implemented

The Trustees no longer sign blank checks. Checks are prepared for payment by the fiscal officer and the Trustees either sign the checks at the fiscal officer's office or at their monthly Trustee meeting.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should establish a consistent filing procedure for all disbursements. Currently, all documentation is placed into a monthly file folder in no orderly fashion. The fiscal officer should file all vouchers numerically by check/warrant number.

Implemented

The fiscal officer has established consistent filing procedures for all disbursements. All vouchers are filed by month in a monthly file folder and numerically by check/warrant number.

Auditor of State Comment from Report on Accounting Methods

Unissued checks are kept in the fiscal officer's office under a table. The office is not always secure. Unissued checks should be stored in a secure location at all times. The fiscal officer does have a filing cabinet in her office which can be locked and should consider storing the unissued checks in this location in the future.

Implemented

Unissued checks are stored in a secure location at all times in a portable lock box. When not being utilized, it is locked either inside the fiscal officers' home residence or in her office. The fiscal officer is the only one with a key to the lock box and the key is kept inside the fiscal officers' residence away from the lock box.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer has charged items to funds and account codes where appropriations are available, not necessarily where the expenditure should be posted. The Township should adopt supplemental appropriations if budgeted amounts need to be adjusted between funds and account codes to allow the disbursements to be recorded in the proper accounts.

Implemented

The fiscal officer charges items to funds and account codes where the expenditure should be posted. The Township adopts supplemental appropriations if budgeted amounts need to be adjusted between funds and account codes to allow the disbursements to be recorded in the proper accounts.

Payroll Processing

Auditor of State Comment from Report on Accounting Methods

Section 505.24, Revised Code, allows a Board of Township trustees by unanimous vote to adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. It has been the practice of the Township to pay the Trustees in equal monthly payments although no unanimous vote has occurred. The Township Trustees should formally adopt, by unanimous vote, a method of compensation consisting of an annual salary to be paid in equal monthly payments or pay the Trustees on a per diem basis.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

The Township Trustees formally adopted, by unanimous vote, a resolution which establishes the Trustees method of compensation of an annual salary to be paid in equal monthly payments.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should routinely verify annual salaries with statutory law at the beginning of each year and as changes are made to the budget to avoid the overpayment or underpayment of salaries to elected officials.

Implemented

The fiscal officer routinely verifies annual salaries with statutory law at the beginning of each year and as changes are made to the budget to avoid the overpayment or underpayment of salaries to elected officials.

Auditor of State Comment from Report on Accounting Methods

The Board had adopted a resolution for the allocation of the Trustees' salaries to various funds; however, little documentation was provided to support the allocation. The Board should establish administrative procedures for assuring that the proportionate amount paid from funds other than the General Fund for Trustees' salaries properly reflect the proportion of time each Trustee spent on other Township matters. This would necessitate the Trustees documenting all time spent on Township business and the type of service performed in a manner similar to trustees paid a per diem.

Implemented

Due to HB 153, "modified Ohio Revised Code § 505.24 requires township trustees paid by the annual salary method, that compensate from funds other than the general fund, to certify the percentage of the time spent working on matters that are to be paid from funds other than the general fund." The Trustees follow this guidance and are certifying allocation sheets each month to the fiscal officer.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should annually verify that all employee withholdings as entered in the accounting system match to the documents on file with the fiscal officer.

Implemented

The fiscal officer is annually verifying that all employee withholdings as entered in the accounting system match to the documents on file with the fiscal officer.

Auditor of State Comment from Report on Accounting Methods

For all hourly employees, a Trustee should verify and approve hours worked as presented on the time sheets before they are given to the fiscal officer for payment.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

For all hourly employees, Trustees are verifying and approving hours worked as presented on the time sheets before they are given to the fiscal officer for payment.

Auditor of State Comment from Report on Accounting Methods

The Trustees do not consistently approve the time sheets of the employees prior to the issuance of the payroll checks. The approval by the Trustees is an internal control designed to help detect errors or problems before payroll is processed and checks are issued. The fiscal officer is overriding the control by issuing payroll checks without this approval. The employees should submit their time sheets to the Trustees for approval and the approved time sheets should be given to the fiscal officer within one or two days of the pay period ending date.

Implemented

The Trustees are consistently approving the time sheets of the employees prior to the issuance of the payroll checks. Employees are submitting their time sheets to the Trustees for approval and the approved time sheets are given to the fiscal officer.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer will often pay one hourly employee prior to the pay period ending date because that employee does not intend to work anymore during the pay period, while the other hourly employees are paid after the pay period ends. Also, the fiscal officer will often pay her salary at the beginning of each month and the pay the Trustees' salaries at a later date within the month. The Board of Trustees should approve, by resolution, a regular reoccurring pay period and pay date for its employees. No employees, including elected officials, should be paid in advance of the period in which the service is provided and no employees should receive their compensation prior to the established dates.

Implemented

The fiscal officer pays all hourly employees after each pay period ends. The fiscal officer pays herself and the Trustees at the same time, typically at the beginning of the month. The Board of Trustees approved a resolution which specifies regular re-occurring pay periods and specifies employees will be paid bi-monthly for its part-time and seasonal employees. No employees, including elected officials, are being paid in advance of the period in which the service is provided and no employees are receiving their compensation prior to the established dates.

Auditor of State Comment from Report on Accounting Methods

The Trustees should verify that the salaries of all employees are being paid from the appropriate funds as approved by resolution. The fiscal officer does not record such disbursements to proper funds on a consistent basis.

Implemented

The Trustees verify that the salaries of all employees are being paid from the appropriate funds as approved by resolution. The fiscal officer records such disbursements to proper funds on a consistent basis.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not always make payments for withholdings or additional payroll liabilities in a timely manner or in the correct amount. The fiscal officer should generate reports from the payroll software to assist in the calculation of payroll liabilities in a timely manner and in the correct amounts.

Implemented

The fiscal officer is making payments for withholdings or additional payroll liabilities in a timely manner and for the correct amount. The fiscal officer is generating reports from the payroll software to assist in the calculation of payroll liabilities.

Auditor of State Comment from Report on Accounting Methods

Paperwork for OPERS employees, primarily retirees or new hires, is not always prepared and filed appropriately. The fiscal officer should prepare and submit all paperwork needed to be filed with the various individuals/agencies regarding any Township business in a timely manner to insure no delays in the processing of any personnel matters.

Implemented

Paperwork for OPERS employees, primarily retirees or new hires, is prepared and filed appropriately. The fiscal officer prepares and submits all paperwork needed to be filed with the various individuals/agencies regarding any Township business in a timely manner to insure no delays in the processing of any personnel matters.

Auditor of State Comment from Report on Accounting Methods

Payroll and employee information is stored within a filing cabinet in the fiscal officer's office; however, this office is often left unsecured. The fiscal officer should maintain all payroll and employee information in a secure location.

Implemented

Payroll and employee information is stored within a filing cabinet in the fiscal officer's home office, which is secured. The filing cabinet is locked along with the office. The fiscal officer has the only key to the filing cabinet and the office.

Debt Administration

Auditor of State Comment from Report on Accounting Methods

The fiscal officer processes the semi-annual payment to the Ohio Public Works Commission (OPWC) within a day or so of its due date. The fiscal officer should process and mail the payment 10 to 15 days before the due date, which will allow sufficient time for the payment to be received and processed. The OPWC may charge interest at the rate of eight percent per year from the due date until the date of payment and may immediately call the entire balance of the loan, together with all accrued interest and other charges, at the option of the OPWC or direct the County Treasurer to pay the amount due from funds the Township receives from the undivided local government fund if the payment is not received timely.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

The Township paid off its debt agreement during 2011. The Township has not entered into any new debt agreements.

Inventory of Capital Assets

Auditor of State Comment from Report on Accounting Methods

The Township must maintain capital asset records as defined by the Ohio Administrative Code. The Township should establish policies and procedures to account for and track capital assets and consumable supplies. Currently, the Township does not track such items on a consistent basis.

Implemented

The Township has maintained capital asset records as defined by the Ohio Administrative Code. The Township has established policies and procedures to account for and track capital assets and consumable supplies. The Township began tracking consumable inventory items in 2015.

Auditor of State Comment from Report on Accounting Methods

When reporting capital assets and consumable supplies to the County Engineer as defined by Section 505.04, Revised Code, the Township should include not only machinery and tools, but all materials and supplies in its possession, including items such as gravel and salt.

Implemented

The Township reported the December 31, 2016, capital assets and consumable supplies to the County Engineer as defined by Section 505.04, Revised Code.

Auditor of State Comment from Report on Accounting Methods

The Township should establish an agreement with the Village of South Webster to control and/or limit the number of individuals (both Township and Village) who have access to the area holding the Township's assets.

Implemented

The Township has established an agreement with the Village of South Webster to control and/or limit the number of individuals (both Township and Village) who have access to the area holding the Township's assets.

Cash Management

Auditor of State Comment from Report on Accounting Methods

The fiscal officer must either attend an annual training program of continuing education as provided by the Treasurer of State as specified in Section 135.22, Revised Code, or file a statement with the State Treasurer's office indicating that the fiscal officer is exempt from the continuing education requirements because investments of the Township are limited to certificates of deposits, STAROhio, or money market mutual funds.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

The fiscal officer has filed a statement with the State Treasurer's office indicating that the fiscal officer is exempt from the continuing education requirements because investments of the Township are limited to certificates of deposits, STAROhio, or money market mutual funds. Currently, the Township has no investments.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not document reconciling factors, such as unrecorded interest, when preparing monthly reconciliations. The fiscal officer should list all reconciling items individually on the monthly bank reconciliation to document the transactions that came into play with the reconciliation. Reconciling items that require posting to the accounting records should be done upon completion of the reconciliation.

Implemented

The fiscal officer documents reconciling factors, such as unrecorded interest, when preparing monthly reconciliations. The fiscal officer lists all reconciling items individually on the monthly bank reconciliation to document the transactions that came into play with the reconciliation. Reconciling items that require posting to the accounting records are done upon completion of the reconciliation.

Auditor of State Comment from Report on Accounting Methods

The Township does not have adequate documentation for each cemetery bequest made to the Township. The Township should make every attempt to locate this information. If the necessary information needed to make a determination as to the treatment of the past cemetery bequests cannot be located, the Township should consult with its legal counsel for the handling of such moneys. The Township should also accept all future bequests by resolution. The Township should also adopt a resolution defining acceptable donations for cemetery purposes and the process for making such donations. The Township should consider avoiding accepting minimal amounts with restricted uses.

Implemented

The Township has consulted with its legal counsel and is following their guidance regarding the cemetery bequests the Township does not have adequate documentation for. The Township enacted a policy on January 1, 2014, and no longer accepts cemetery bequests less than \$1,000.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not invest cash that is being held in the general checking account. When the fiscal officer has cash in the bank in excess of what is needed to pay current liabilities, those moneys should be invested.

Implemented

The fiscal officer does not invest cash that is being held in the general checking account. The Fiscal Officer does not have cash in the bank in excess to pay current liabilities.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should file the voided checks of the Township with the monthly bank reconciliation.

Implemented

The fiscal officer files the voided checks of the Township with the monthly bank reconciliation.

Financial Reporting

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should state in the minutes of each meeting that the financial reports of the Township were provided to the Trustees. The fiscal officer should make record of any discussions held or questions answered regarding the financial reports, as well as any matters that have been brought to attention regarding the financial reports.

Implemented

The fiscal officer states in the minutes of each meeting that the financial reports of the Township were provided to the Trustees. The fiscal officer records any discussions held or questions answered regarding the financial reports when necessary. Also included in the minutes is a sign-off sheet where the Trustees indicate what reports they have reviewed.

Auditor of State Comment from Report on Accounting Methods

Currently, the Board of Trustees does not review each financial report distributed to it. To strengthen internal accounting controls, the Trustees should periodically scan the financial reports to determine if transactions were posted incorrectly or to verify that unapproved transactions did not occur. All documents should be initialed by each reviewer.

Implemented

The Board of Trustees reviews each financial report distributed to it. Included in the minutes is a sign-off sheet where the Trustees indicate what reports they have been provided and reviewed. Copies of the monthly financial reports reviewed by the Trustees are also included in the minute book.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer does not post all transactions within the accounting system accurately. For instance, the fiscal officer has recorded the purchase of cold patch under account 2021.330.360 contractual services when the proper account code is 2021.330.420 operating supplies. Therefore, the accuracy of the reports provided to the Board of Trustees on a monthly basis is questionable. The fiscal officer should post transactions accurately to avoid presenting inaccurate financial reports to the Board.

Implemented

The fiscal officer posts transactions within the accounting system accurately. The accuracy of the reports provided to the Board of Trustees on a monthly basis is reasonable.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

Year-to-date total reports are not generated, even though the accounting software has such capabilities. Year-to-date reports should be generated and printed from the accounting software and placed in the fiscal officer's financial records for the year.

Implemented

The fiscal officer generates year-to-date reports for the Township Trustee's to review for each meeting. Copies of all reports provided by month are kept as part of the Township's minutes. Included in the minutes is a sign-off sheet where the Trustees indicate what reports they have received and reviewed.

Auditor of State Comment from Report on Accounting Methods

The Township does not publish a public notice in a local newspaper that states the financial report is available for public inspection at the office of the fiscal officer. The public notice may read as follows:

The (name of the annual financial report) of Bloom Township for the year ended (date) has been completed and is available for public inspection in the office of (name of fiscal officer and address) by appointment. A copy of the report can be provided upon request.

Implemented

The Township publishes a public notice in a local newspaper that states the financial report is available for public inspection at the office of the fiscal officer.

Auditor of State Comment from Report on Accounting Methods

The Township does not produce a five-year operating plan for its most significant funds. A five-year operating plan should be completed each year for the Township's most significant funds and should be based on the conditions management expects to exist and the course of action it expects to take. The plan should include the revenues and expenditures of those funds that finance the major operations and/or services of the Township and it should present, among other things, the long-term effect of changes in service levels and operations.

Implemented

The Township has produced a five-year operating plan for its most significant funds. It was completed for the Township's most significant funds and was based on the conditions management expects to exist and the course of action it expects to take. The plan includes the revenues and expenditures of those funds that finance the major operations and/or services of the Township and presents, among other things, the long-term effect of changes in service levels and operations.

Auditor of State Comment from Report on Accounting Methods

The Township does not produce a long-term capital plan. A long-term capital plan should be completed/updated every year and the first five years should be included in the five-year operating plan of the Township. The capital plan should cover a period of ten years, and include all road replacement or improvements and other projects as well as the method of financing the projects. The plan should also include scheduled replacement of equipment, vehicles, and other assets of the Township.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Implemented

The Township produced a long-term capital plan. The long-term capital plan was completed up through 2027. The capital plan covered a period of ten years and included all road replacement or improvements and other projects as well as the method of financing the projects. The plan does not include scheduled replacement of equipment, vehicles, and other assets of the Township because the Township does not anticipate replacing any of these assets over the next 10 years.

Auditor of State Comment from Report on Accounting Methods

The estimated receipts and appropriations reported in the annual financial report should agree with the final Amended Certificate of Estimated Resources and the final appropriations approved by the Board of Trustees and with the amounts in the accounting records.

Implemented

The estimated receipts and appropriations reported in the annual financial report agreed with the final Amended Certificate of Estimated Resources and the final appropriations approved by the Board of Trustees and with the amounts in the accounting records.

Auditor of State Comment from Report on Accounting Methods

The fiscal officer should store the monthly and annual backup discs of the accounting software in a secure and fireproof location, rather than in the fiscal officer's office.

Implemented

The fiscal officer stores the monthly and annual backup discs of the accounting software in a secure and fireproof lock box which is located inside the fiscal officer's home office.

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The minutes do not reflect full and accurate information to permit the public's understanding and appreciation of the rationale behind the Board of Trustees' decisions. Minutes do not reflect discussions over the financial reports provided to the Board if a question is posed about a report. The minutes do not fully detail actions the Board has taken related to documents presented to the Board by its citizenry. For example, citizens have approached the Trustees during the monthly meetings with letters stating complaints or issues regarding matters in the Township. Board action regarding the matters has not been documented in sufficient detail within the minutes of that monthly meeting. The minutes should reflect full and accurate information so that the public may understand and appreciate the rationale behind the Board of Trustees' decisions.

Implemented

The minutes reflect full and accurate information to permit the public's understanding and appreciation of the rationale behind the Board of Trustees' decisions. The minutes reflect discussions over the financial reports provided to the Board if a question is posed about a report. Any formal letters received by the Trustees are being included in the minutes. The minutes reflect full and accurate information so that the public may understand and appreciate the rationale behind the Board of Trustees' decisions.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Auditor of State Comment from Report on Accounting Methods

The minutes are not always signed by the Board President and fiscal officer. The minutes of a monthly meeting of the Board of Trustees should be approved at the following monthly meeting of the Board. Once approved by the Board, the minutes should be signed by the Board President and fiscal officer.

Implemented

The minutes are signed by the Board President and fiscal officer. The minutes of each monthly meeting of the Board of Trustees is approved at the following monthly meeting of the Board and once approved by the Board, the minutes are signed by the Board President and fiscal officer.

Auditor of State Comment from Report on Accounting Methods

The Township does not maintain a complete record of resolutions at all times. The Township should establish a Resolutions Book which would be a complete source of all resolutions approved by the Board of Trustees. The resolutions should be individually numbered and maintained in proper order within the Resolutions Book. An index should be placed at the beginning of the Resolutions Book to help facilitate the location of resolutions by general topic.

Implemented

The Township maintains a complete record of resolutions. The Township established a Resolutions Book which is a complete source of all resolutions approved by the Board of Trustees. The resolutions are individually numbered and maintained in proper order within the Resolutions Book. A complete, organized index is placed at the beginning of the Resolution Book to help facilitate the location of resolutions by general topic.

Auditor of State Comment from Report on Accounting Methods

Minutes of bid openings are not maintained. The Township should maintain a record of such discussions and processes to permit the public's understanding and appreciation of the rationale behind the Board of Trustees' decisions.

Implemented

The Township has not entered into any agreements that required the bidding process.

Audit Report and Management Letters

The Township Officials receive a compliance and management letter at the conclusion of each annual audit. The letters that accompanied the December 31, 2015, audit identified several noncompliance issues and several recommendations.

The findings in the audit relate to improper reimbursement for medical premiums, notifying employees of the fraud reporting system, approval by Trustees of appropriation reallocations, proper fund classification of financial statements, imaging of cancelled checks and establishment of a disaster recovery plan.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

The Township has addressed the approval of Trustees of appropriation reallocations and proper fund classification on the financial statements as part of their work to correct the Report on Accounting Methods comments. The Township also continues to receive the front images of issued checks and is working with their bank regarding the providing of the rear images. The Township is in the process of addressing the remaining non-compliance issues and recommendations. These are not issues that would prevent termination of the Financial Planning and Supervision Commission.

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(3)(b) of the Ohio Revised Code, the Township shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

The Township had no outstanding debt as of September 30, 2017.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. The Township does not have any debt.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

We reviewed the payroll records of the Township as of September 30, 2017. We reviewed Board minutes, resolutions, and had discussions with the fiscal officer to determine the employees of the Township, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the payroll check stubs along with the attached time sheets to determine whether Township employees had been paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of September 30, 2017. All employees have been paid in amounts and at the times required by resolution.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Scioto County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the Township for 2016 or 2017, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Scioto County Budget Commission indicated that the Commission had not taken any action for tax year 2016 to increase the inside millage of the Township.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of September 30, 2017.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year-end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund and in the respective special funds lawfully available to pay such accounts, excluded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

We prepared a schedule of accounts payable as of December 31, 2016, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2016, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(4) of the Revised Code as of December 31, 2016. There were no payables over thirty days past due.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2016, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2016.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Township's reconciled bank balance to its cash summary by fund for all funds as of December 31, 2016, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all fund cash balances.

Bloom Township, Scioto County
 Report on the Termination of the Bloom Township
 Financial Planning and Supervision Commission

Schedule I

Treasury Balances
 Ohio Revised Code Section 118.03(A)(6)
 As of December 31, 2016

	Amounts at December 31, 2016
Bank Cash Balance	
Citizens Deposit Bank	\$330,349
<i>Adjustments for:</i>	
Outstanding Checks	(10,130)
Unrecorded Interest Revenue	(53)
<i>Total Treasury Balance</i>	320,166
Less Positive Cash Fund Balances	
General	170,391
Motor Vehicle License Tax	14,636
Gasoline Tax	44,359
Road and Bridge	25,363
Cemetery	36,901
Permissive Motor Vehicle License Tax	22,958
Miscellaneous Special Revenue	4,323
Cemetery Trust	1,235
<i>Total Positive Cash Fund Balances</i>	320,166
Treasury Deficiency	\$0

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2016. The treasury balance less the positive fund cash balances as of December 31, 2016, did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Township and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Bloom Township, Scioto County
Report on the Termination of the Bloom Township
Financial Planning and Supervision Commission

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Township in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(3)(d) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

**Bloom Township
Scioto County**

Financial Forecast

For the Years Ending December 31, 2017 through December 31, 2021

This page intentionally left blank

Bloom Township, Scioto County

Table of Contents

Accountant's Report.....	A-3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis For the Years Ended December 31, 2014, Through 2016, Actual; and Ending December 31, 2017, Through 2021, Forecasted:	
General Fund.....	A-4
Motor Vehicle License Tax Fund	A-6
Summary of Significant Accounting Policies and Forecast Assumptions	A-8

This page intentionally left blank



Dave Yost • Auditor of State

Bloom Township Trustees
Bloom Township
P.O. Box 613
South Webster, Ohio 45682

Based upon the requirement set forth in section 118.27(A)(3)(d) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statements of revenues, expenditures, and changes in fund balance of the General fund and the Motor Vehicle License Tax fund of Bloom Township, for the five years ending December 31, 2021. These statements are presented on the budget basis of accounting used by Bloom Township rather than on generally accepted accounting principles. Bloom Township's management is responsible for the forecast. Our responsibility is to determine whether the Township has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of Bloom Township and the Financial Planning and Supervision Commission of Bloom Township and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

October 20, 2017

Bloom Township, Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For The Years Ended December 31, 2014, Through 2016, Actual And
For The Years Ending December 31, 2017, Through 2021, Forecasted
General Fund

	2014 Actual	2015 Actual	2016 Actual
<u>Revenues</u>			
Property Taxes	\$47,090	\$67,976	\$67,094
Intergovernmental	12,096	18,741	14,291
Interest	313	493	302
Other	807	750	1,504
Total Revenues	60,306	87,960	83,191
<u>Expenditures</u>			
General Government			
Administrative:			
Personal Services	13,310	12,639	15,996
Fringe Benefits	4,264	3,330	4,026
Contractual Services	11,509	31,465	31,115
Supplies and Materials	373	393	274
Other	0	0	71
Total Administrative	29,456	47,827	51,482
Townhalls, Memorial Buildings and Grounds			
Contractual Services	720	2,133	4,695
Total General Government	30,176	49,960	56,177
Public Works			
Highways:			
Contractual Services	3,476	4,557	2,853
Supplies and Materials	4,933	0	9,671
Capital Outlay	0	4,045	0
Total Public Works	8,409	8,602	12,524
Capital Outlay	0	6,198	0
Total Expenditures	38,585	64,760	68,701
Net Change in Fund Balance	21,721	23,200	14,490
Fund Balance Beginning of Year	110,980	132,701	155,901
Fund Balance End of Year	\$132,701	\$155,901	\$170,391

<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>	<u>2019</u> <u>Forecasted</u>	<u>2020</u> <u>Forecasted</u>	<u>2021</u> <u>Forecasted</u>
\$75,000	\$67,000	\$67,000	\$67,000	\$67,000
41,600	20,600	16,850	13,100	13,100
100	100	100	100	100
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>116,700</u>	<u>87,700</u>	<u>83,950</u>	<u>80,200</u>	<u>80,200</u>
20,300	20,097	20,097	20,097	20,097
3,500	3,410	3,410	3,410	3,410
42,440	44,250	39,259	49,031	43,778
650	500	500	500	500
<u>0</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<u>66,890</u>	<u>68,357</u>	<u>63,366</u>	<u>73,138</u>	<u>67,885</u>
<u>2,100</u>	<u>3,310</u>	<u>3,541</u>	<u>3,795</u>	<u>4,075</u>
<u>68,990</u>	<u>71,667</u>	<u>66,907</u>	<u>76,933</u>	<u>71,960</u>
3,300	2,500	2,500	2,500	2,500
10,000	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<u>13,300</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>7,500</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<u>82,290</u>	<u>74,167</u>	<u>69,407</u>	<u>79,433</u>	<u>84,460</u>
34,410	13,533	14,543	767	(4,260)
<u>170,391</u>	<u>204,801</u>	<u>218,334</u>	<u>232,877</u>	<u>233,644</u>
<u>\$204,801</u>	<u>\$218,334</u>	<u>\$232,877</u>	<u>\$233,644</u>	<u>\$229,384</u>

Bloom Township, Scioto County
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis
For The Years Ended December 31, 2014, Through 2016, Actual And
For The Years Ending December 31, 2017, Through 2021, Forecasted
Motor Vehicle License Tax Fund

	2014 Actual	2015 Actual	2016 Actual
<u>Revenues</u>			
Intergovernmental	\$12,865	\$12,301	\$12,523
Interest	11	22	16
Other	0	124	0
Total Revenues	<u>12,876</u>	<u>12,447</u>	<u>12,539</u>
<u>Expenditures</u>			
Public Works			
Highways			
Personal Services	4,783	5,260	6,069
Fringe Benefits	1,218	1,433	1,728
Contractual Services	1,237	2,809	1,595
Materials and Supplies	500	0	0
Total Expenditures	<u>7,738</u>	<u>9,502</u>	<u>9,392</u>
Net Change in Fund Balance	5,138	2,945	3,147
Fund Balance Beginning of Year	<u>3,405</u>	<u>8,543</u>	<u>11,488</u>
Fund Balance End of Year	<u><u>\$8,543</u></u>	<u><u>\$11,488</u></u>	<u><u>\$14,635</u></u>

<u>2017</u> <u>Forecasted</u>	<u>2018</u> <u>Forecasted</u>	<u>2019</u> <u>Forecasted</u>	<u>2020</u> <u>Forecasted</u>	<u>2021</u> <u>Forecasted</u>
\$11,500	\$11,500	\$11,500	\$11,500	\$11,500
0	0	0	0	0
0	0	0	0	0
<u>11,500</u>	<u>11,500</u>	<u>11,500</u>	<u>11,500</u>	<u>11,500</u>
6,300	4,095	4,095	4,095	4,095
2,300	845	845	845	845
3,000	2,000	2,000	2,000	2,000
1,500	1,500	1,500	1,500	1,500
<u>13,100</u>	<u>8,440</u>	<u>8,440</u>	<u>8,440</u>	<u>8,440</u>
(1,600)	3,060	3,060	3,060	3,060
<u>14,635</u>	<u>13,035</u>	<u>16,095</u>	<u>19,155</u>	<u>22,215</u>
<u><u>\$13,035</u></u>	<u><u>\$16,095</u></u>	<u><u>\$19,155</u></u>	<u><u>\$22,215</u></u>	<u><u>\$25,275</u></u>

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 1 - The Township

Bloom Township is located in southern Ohio in Scioto County. The Township is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The decision making process is directed by an elected Township Board of Trustees. The Board of Trustees is the legislative authority of Bloom Township and consists of three members who are elected at large and serve terms of four years. The Township also has a separately elected Fiscal Officer.

On August 9, 2005, the Auditor of State's Office declared Bloom Township to be in a state of fiscal emergency in accordance with Section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Chairman of the Board of Trustees, the Scioto County Auditor, three individuals whose residency or principal place of business is within the Township, and a designee from both the State Treasurer's Office and the Office of Budget and Management. This Commission is required to adopt a financial recovery plan for the Township. Once the plan has been adopted, the Township's discretion is limited in that all financial activity of the Township must be in accordance with the plan.

Bloom Township provides general governmental services including road, bridge, and cemetery maintenance. The operation of each of these activities is directly controlled by the Board of Trustees through the budgetary process.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the Township's knowledge and belief, the expected revenues, expenditures, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Township's judgment, as of October 20, 2017, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Township. These funds include the General Fund and the Motor Vehicle License Tax fund.

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Township is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

B. Fund Accounting

The Township maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The General Fund is the operating fund of the Township and is used to account for and report 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 disbursed or transferred in accordance with Ohio law.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

Debt Service Funds - Debt service funds are used to account for and report resources that are restricted, committed, or assigned to disbursement for principal, interest, and related costs.

Capital Projects Funds - Capital projects funds are used to account for and report resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds).

Permanent Funds – Permanent funds account for and report financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the Township or its residents.

Proprietary Funds

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services.

Internal Service Funds – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the Township on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Township, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Township must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriations for the full year is not ready for approval by the Board of Trustees. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation resolution must be legally enacted by the Board of Trustees. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The Township uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property and public utility personal property. The Township may request advances from the Scioto County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Township are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the Township for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account "intergovernmental revenue".

Bloom Township, Scioto County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2017, through 2021

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2016 for taxes collected in 2017. The last triennial update was completed in 2013 for taxes collected in 2014 with the next update scheduled for 2019 and the next reappraisal scheduled for 2022. The Township's assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	2013	2014	2015	2016
Real Property	\$21,892,990	\$23,573,320	\$23,788,240	\$23,956,980
Public Utility	8,481,740	8,693,240	8,819,280	9,786,560
Total Assessed Value	<u>\$30,374,730</u>	<u>\$32,266,560</u>	<u>\$32,607,520</u>	<u>\$33,743,540</u>

The property tax revenues are generated from inside millage receipted into the General Fund and the Road and Bridge Special Revenue Fund.

The levies being collected by fund and the full tax rate are as follows:

Fund	Tax Levies	Full Tax Rate (Per \$1,000 of Assessed Valuation)
General Fund	Inside Ten Mill Limitation (Unvoted)	\$1.81
Road and Bridge Fund	Inside Ten Mill Limitation (Unvoted)	0.10
Total Tax Rate		<u>\$1.91</u>

Public utility real property taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes.

Real Property - Property values are expected to increase slightly throughout the forecast period due to the complete tax reappraisal completed in 2016 and collected in 2017. Tax revenues increased during 2017 due to the first year of collections associated with the new appraisal values; however, based on a conservative estimate of collections provided by the Scioto County Auditor, these revenues are expected to remain relatively unchanged from 2018 through 2021.

B. Intergovernmental Revenues

Intergovernmental revenues include local government monies and property tax allocations for rollback and homestead. The local government funds are distributed monthly by the State to the Township and by the County Auditor to the Township. The property tax allocations for rollback and homestead are received from the State and are based on information provided by the County Auditor.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Township for the loss of real property taxes caused by the homestead and rollback tax relief program.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Real Property - Property values are expected to increase slightly during 2017 due to the property reappraisal that occurred during 2016. Estimated revenues were increased starting in 2017 due to the first year of collections associated with the new appraisal values. However, based on a conservative estimate provided by the Scioto County Auditor, 2018 property tax collections are expected to be approximately \$67,000 and will remain relatively unchanged throughout the forecast period.

Intergovernmental – In 2017, the Township is expected to receive \$41,600 in local government funding, homestead, rollback, and property tax exemption reimbursements. The increase is due to the Township switching banking institutions during 2015 and failing to notify the Department of Taxation of the new routing number. The Township did not receive the 2015 or 2016 reimbursements which totaled \$21,120. The Township anticipates receiving approximately \$10,000 each year for these reimbursements during the forecast period.

The Township has forecasted \$3,100 in local government funding for the forecasted period. The Township also receives an additional local government funding subsidy that was built into the last biennial State budget. This additional subsidy is forecasted at \$7,500 for 2017 and 2018 and \$3,750 for 2019. Since it is unclear what the next biennial State budget will include, amounts for 2019 have only been forecasted at 50 percent and no amounts are forecasted for the remainder of the forecast period.

The Township also receives a small amount of revenue from the State of Ohio due to timber cutting in State forests. A portion of Wayne National forest lies within Bloom Township and the Township receives revenues whenever timber is cut from these forests. Due to the unpredictability of these revenues, no amounts were estimated during the forecast period.

Interest – Interest revenue has varied from 2014 to 2016. The Township continues to only receive interest from their primary checking account. A conservative estimate has been determined and is expected to remain relatively unchanged throughout the forecast.

B. Motor Vehicle License Tax Fund

Intergovernmental – The Township receives monies from the State of Ohio from the purchasing of motor vehicle license taxes. In taking a conservative approach, these revenues are expected to remain stagnant throughout the forecast period.

Interest – Interest revenue has varied from 2014 to 2016. The Township continues to only receive interest from their primary checking account. Due to the small amount of interest that has historically been allocated to this fund, no interest revenue was projected during the forecast period.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 6 - Expenditure Assumptions - All Funds

A. Personal Services

Personal services include the salaries paid to the employees and elected officials of the Township. The Township's part-time employees are paid on a bi-monthly basis. The Trustees and Fiscal Officer are paid monthly. The Trustees, by resolution each year, set the hourly rates for all employees. Personal services also include all salary related costs such as pension contributions, Medicare, and workers' compensation. The Township does not provide any other form of compensation, such as paid leave.

The Township Trustees consists of three members with varying annual salaries of \$8,490 to \$9,360 per member, if in attendance at all regular meetings. Trustee salaries are established by State legislature by Ohio Revised Code Section 505.24 and are based on the Township's annual budget. The Trustees are paid from the General Fund and the Gasoline Tax Fund. Allocations to each fund vary by month depending on the work being performed by each Trustee.

Fiscal officer salaries are established by State legislature by Ohio Revised Code Section 507.09 and are based on the Township's annual budget. The Fiscal Officer's salary is paid from the General Fund. The Fiscal Officer's salary is forecasted at \$14,039 for 2017 and \$15,597 for the remainder of the forecast period due to a projected increase in the Township's budget.

Currently, the Township has no full-time road employees. The Township utilizes 1 part-time employee on a consistent basis. This individual works approximately 25 hours per pay period at \$11 per hour. During March through October, the Township employs seasonal employees per month as deemed necessary and each employee is expected to work approximately 25 hours per pay period as needed. The forecasted salaries are based on pay rates approved by the Township Trustees in the January 2017 salary resolutions. Salaries for road employees will be paid 25 percent from the Motor Vehicle License Tax fund and 75 percent from the Gasoline Tax Fund. No hourly increases are expected during the forecast period.

B. Fringe Benefits

Fringe benefits include employer contributions to the State pension system, workers' compensation, and Medicare. The Township does not offer health care, dental, vision or supplemental life insurance to any elected or non-elected employees. The Township offered to reimburse elected officials for health care premiums carried and paid by elected officials. The reimbursement limit was up to \$1,000 per month per elected official. During 2014 through 2016, the Township did not provide any reimbursements for such premiums. The Township does not intend to provide these reimbursements any time during the forecast period.

All part-time employees and elected officials participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual salary and the Township is required to contribute 14 percent (the maximum) of their annual salary.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Workers' compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The Township has few employees and workers compensation claims have been held to a minimum. Therefore, premiums are expected to remain constant.

C. Contractual Services

Contractual services include professional services related to repairs and maintenance of buildings, equipment, and cemeteries, accounting system software and maintenance fees, travel and meeting expenses, property, liability, and fidelity bond insurance, dumpster rental, postage, advertising, property tax collection fees, payments to the County Health Department, electricity and accounting and auditing services. An audit was performed during 2016. Additional audits will be performed in 2018 and 2020 and will be paid from the General Fund at an estimated cost of \$7,000 per audit.

The Township contracts with various vendors for the delivery of materials used for road repairs and for services associated with cemetery maintenance. These services can vary significantly from year to year depending on need and the budget; however, the Township strives to keep these services at a minimum and will adjust these services accordingly should monies not be available as forecasted.

Property tax collection fees and election fees are paid to the Scioto County Auditor and Treasurer and are expected to remain constant throughout the forecast period. The County Health Department fees coincide with both the budget provided by the County Health Department along with population of the Township. This fee is anticipated to increase approximately eight percent each year during the forecast period.

For 2017 through 2021, property and fleet insurance is anticipated to remain consistent throughout the forecast period.

All other contractual services are expected to either remain unchanged throughout the forecast or will increase slightly.

D. Supplies and Materials

Supplies and materials expenditures include office supplies, cleaning supplies, miscellaneous small items to be used for minor maintenance and repairs, diesel fuel, and road materials such as salt, gravel, and other items used to maintain or repair the Township's roads. During 2016, the Township paid \$9,671 for road materials and supplies from the General Fund. During 2017, the Township also budgeted to spend \$10,000 for road materials and supplies from the General Fund. However, this trend is not expected to continue for the forecast period. Supplies and materials are anticipated to remain consistent throughout the forecast period.

E. Capital Outlay

The Township purchases equipment to be used to repair or maintain the roads and cemeteries when necessary. The Township has purchased equipment such as dump trucks, back hoes, lawn mowers, and weed eaters in prior years. The Township currently only anticipates \$5,000 in capital outlay items during 2021, all of which is associated with the repairs and maintenance of roads and will be paid by the General Fund.

Bloom Township, Scioto County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2017, through 2021

Note 7 - Other Funds

The Township has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.

Note 8 - Contingencies

A. Litigation

The Township is not party to any legal proceedings.

B. Grants

The Township received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position during the forecast period.

This page intentionally left blank



Dave Yost • Auditor of State

BLOOM TOWNSHIP

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 8, 2017**