



**BLOOM TOWNSHIP  
SCIOTO COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

---

**STATE OF OHIO**



**BLOOM TOWNSHIP  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Nonexpendable Trust Fund – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Nonexpendable Trust Fund – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings .....	15
Corrective Action Plan .....	16

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 44701

Telephone 740-594-3300

800-443-9276

Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS

Bloom Township  
Scioto County  
15055-C Lick Run Lyra Road  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Scioto County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Bloom Township, Scioto County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

**Jim Petro**  
Auditor of State

May 1, 2000



**BLOOM TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$28,845	\$21,661	\$50,506
Intergovernmental	12,929	64,415	77,344
Charges for Services		5,839	5,839
Earnings on Investments	915	485	1,400
Other Revenue	3,858	35,940	39,798
	<u>46,547</u>	<u>128,340</u>	<u>174,887</u>
<b>Total Cash Receipts</b>			
	<u>46,547</u>	<u>128,340</u>	<u>174,887</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	44,573		44,573
Public Works		76,093	76,093
Health		14,312	14,312
Debt Service:			
Redemption of Principal		12,341	12,341
Interest and Fiscal Charges		2,006	2,006
Capital Outlay		43,278	43,278
	<u>44,573</u>	<u>148,030</u>	<u>192,603</u>
<b>Total Cash Disbursements</b>			
	<u>44,573</u>	<u>148,030</u>	<u>192,603</u>
<b>Total of Cash Receipts Over/(Under) Cash Disbursements</b>	<u>1,974</u>	<u>(19,690)</u>	<u>(17,716)</u>
<b>Other Financing Sources/(Uses):</b>			
Proceeds from Sale of Public Debt:			
Transfers-In		34,660	34,660
Transfers-Out	(6,000)	(28,660)	(34,660)
	<u>(6,000)</u>	<u>6,000</u>	<u>0</u>
<b>Total Other Financing Sources/(Uses)</b>			
	<u>(6,000)</u>	<u>6,000</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses</b>	<u>(4,026)</u>	<u>(13,690)</u>	<u>(17,716)</u>
<b>Fund Cash Balances, January 1</b>	<u>14,770</u>	<u>38,598</u>	<u>53,368</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$10,744</b></u>	<u><b>\$24,908</b></u>	<u><b>\$35,652</b></u>

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

**BLOOM TOWNSHIP  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCE -  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Nonexpendable Trust</b>
<b>Cash Receipts:</b>	
Earnings on Investments	126
Total Cash Receipts	126
<b>Cash Disbursements:</b>	
Purchased Services	991
Total Cash Disbursements	991
Net Cash Receipts Over/(Under) Cash Disbursements	(865)
Fund Cash Balance, January 1	4,146
<b>Fund Cash Balance, December 31</b>	<b>\$3,281</b>

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



**BLOOM TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$29,309	\$21,655	\$50,964
Intergovernmental	14,361	87,895	102,256
Charges for Services		6,457	6,457
Earnings on Investments	1,020	496	1,516
Other Revenue	2,031	1,462	3,493
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	46,721	117,965	164,686
<b>Cash Disbursements:</b>			
Current:			
General Government	38,758		38,758
Public Works		75,203	75,203
Health		5,228	5,228
Debt Service:			
Redemption of Principal		13,431	13,431
Interest and Fiscal Charges		2,286	2,286
Capital Outlay		21,797	21,797
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	38,758	117,945	156,703
Total of Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	7,963	20	7,983
<b>Other Financing Sources/(Uses):</b>			
Transfers-In		3,500	3,500
Transfers-Out	(3,500)		(3,500)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(3,500)	3,500	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<hr/>	<hr/>	<hr/>
	4,463	3,520	7,983
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	10,307	35,078	45,385
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$14,770</b> <hr/>	<hr/> <b>\$38,598</b> <hr/>	<hr/> <b>\$53,368</b> <hr/>

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

**BLOOM TOWNSHIP  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCE -  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Nonexpendable Trust</b>
<b>Cash Receipts:</b>	
Earnings on Investments	140
Total Cash Receipts	140
Net Cash Receipts Over/(Under) Cash Disbursements	140
Fund Cash Balance, January 1	4,006
<b>Fund Cash Balance, December 31</b>	<b>\$4,146</b>

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

**BLOOM TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bloom Township, Scioto County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, and cemetery maintenance.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash**

The Township had one primary checking account and had no investments during our audit period.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund received gasoline tax money to construct, maintain, and repair Township roads and bridges.

Federal Emergency Management Agency Fund (FEMA) - This fund received federal funding for the repairs of Township roadways from floods.

**BLOOM TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

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

Cemetery Bequest Fund - This Nonexpendable Trust Fund received interest income for the upkeep of the Cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation**

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the Township.

**BLOOM TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN POOLED CASH**

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

	<u><b>1999</b></u>	<u><b>1998</b></u>
Demand deposits	<u>\$38,933</u>	<u>\$57,514</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 46,484	\$ 46,547	\$ 63
Special Revenue	132,800	163,000	30,200
Nonexpendable Trust	126	126	0
Total	<u>\$179,410</u>	<u>\$209,673</u>	<u>\$30,263</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 51,428	\$ 50,573	\$ 855
Special Revenue	173,551	176,690	(3,139)
Nonexpendable Trust	992	991	1
Total	<u>\$225,971</u>	<u>\$228,254</u>	<u>(\$2,283)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,200	\$ 46,721	\$ 8,521
Special Revenue	153,360	121,465	(31,895)
Nonexpendable Trust	173	140	(33)
Total	<u>\$191,733</u>	<u>\$168,326</u>	<u>(\$23,407)</u>

**BLOOM TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 44,550	\$ 42,258	\$ 2,292
Special Revenue	192,200	117,945	74,255
Nonexpendable Trust	4,150	0	4,150
Total	\$240,900	\$160,203	\$80,697

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. RETIREMENT SYSTEM**

The Township's employees, as well as the Clerk and Trustees, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**BLOOM TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Inland marine

The Township is uninsured for the following risks:

- Errors and omissions

**7. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes	<u>\$38,450</u>	6%

The Township had outstanding debt with Case Credit Corporation for the purchase of a backhoe. The loan originated on May 18, 1998, and will be repaid in annual installments in the amount of \$9,834. The Township also had outstanding debt with Ohio River Bank for the purchase of a tar truck. The loan originated on April 16, 1999, and will be repaid in annual installments in the amount of \$4,512.

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

Year ending December 31:	General Obligation Notes
2000	\$18,859
2001	18,859
2002	<u>9,024</u>
Total	<u><u>\$46,742</u></u>

**This page intentionally left blank.**





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 44701

Telephone 740-594-3300  
800-443-9276

Facsimile 740-594-2110

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

Bloom Township  
Scioto County  
15055-C Lick Run Lyra Road  
South Webster, Ohio 45682

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1998-40773-001. We also noted certain immaterial instances on noncompliance that we have reported to the management of the Township in a separate letter dated May 1, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgement, could adversely effect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 1999-40773-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not disclose all reportable conditions that are also considered to be material weaknesses. We do not consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Township in a separate letter dated May 1, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

May 1, 2000

**BLOOM TOWNSHIP  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**FINDING NUMBER 1999-40773-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order involving the disbursement of monies unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirements:

1. If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or if such expenditure is otherwise valid; and
2. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without affirmation of the Board of Trustees.

Thirty-one percent of the tested disbursements in 1998 and 1999, did not contain the fiscal officer's certificate and were not certified under either of the two exceptions described above.

We recommend the Board of Trustees not approve the expenditure of Township money from any fund that does not have a certificate from the Clerk that there are appropriations available to support the expenditure.

**FINDING NUMBER 1999-40773-002**

**Reportable Condition**

**Estimated Receipts**

During our testing of budgetary compliance we noted that the estimated receipts exceeded actual receipts in 1999, in the Motor Vehicle License Tax Fund by \$7,339 (6%), and in the Gasoline Tax Fund by \$16,343 (14%).

Since appropriations and subsequent expenditures are based on estimated receipts, a shortage of actual receipts could result in overspending.

We recommend the Clerk monitor actual receipts. When it is apparent that actual receipts will not reach the budgetary estimates, we recommend the Clerk obtain a reduced amended certificate from the County Budget Commission. We further recommend the Board of Trustees make the corresponding reductions in appropriations.

**BLOOM TOWNSHIP  
CORRECTIVE ACTION PLAN  
DECEMBER 31, 1999 AND 1998**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
1999-40773-001	The board of Trustees will not approve disbursements that are not supported by appropriations.	Will implement immediately	Linda Blevins, Clerk
1999-40773-002	Actual Receipts will be monitored more closely, and amended if necessary, to have the Trustees make reductions in appropriations.	Will implement immediately	Linda Blevins, Clerk



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
AUGUST 8, 2000**