



**Auditor of State
Betty Montgomery**

JACKSON COUNTY
TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	16
Corrective Action Plan.....	17

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Bloomfield Township
Jackson County
3235 State Route 327
Jackson, Ohio 45640

To the Board of Trustees:

We have audited the accompanying financial statements of Bloomfield Township, Jackson County, Ohio (the Township) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Bloomfield Township, Jackson County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 8, during 2001, the Township reclassified certain funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2003 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Bloomfield Township
Jackson County
Independent Accountants' Report
Page 2

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 18, 2003

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$25,727	\$48,152	\$	\$73,879
Intergovernmental	28,039	74,015	73,229	175,283
Interest	224	448		672
Other Revenue	2,074			2,074
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	56,064	122,615	73,229	251,908
	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:				
Current:				
General Government	54,421			54,421
Public Safety		67,497		67,497
Public Works		34,541		34,541
Health	5,496			5,496
Debt Service:				
Redemption of Principal			37,902	37,902
Interest and Fiscal Charges			3,425	3,425
Capital Outlay			45,498	45,498
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	59,917	102,038	86,825	248,780
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,853)	20,577	(13,596)	3,128
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	22,877	6,237	37,144	66,258
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$19,024</u>	<u>\$26,814</u>	<u>\$23,548</u>	<u>\$69,386</u>

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$24,901	\$43,529	\$	\$68,430
Intergovernmental	42,694	66,371	60,363	169,428
Interest	309	619		928
Other Revenue	1,438	600		2,038
	<u>69,342</u>	<u>111,119</u>	<u>60,363</u>	<u>240,824</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	60,922			60,922
Public Safety		29,098		29,098
Public Works		73,482		73,482
Health	5,885			5,885
Miscellaneous			957	957
Capital Outlay			131,141	131,141
	<u>66,807</u>	<u>102,580</u>	<u>132,098</u>	<u>301,485</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>2,535</u>	<u>8,539</u>	<u>(71,735)</u>	<u>(60,661)</u>
Other Financing Sources:				
Proceeds of Notes	<u>0</u>	<u>0</u>	<u>74,316</u>	<u>74,316</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>74,316</u>	<u>74,316</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	2,535	8,539	2,581	13,655
Fund Cash Balances, January 1 (Restated, Note 8)	<u>20,342</u>	<u>(2,302)</u>	<u>34,563</u>	<u>52,603</u>
Fund Cash Balances, December 31	<u>\$22,877</u>	<u>\$6,237</u>	<u>\$37,144</u>	<u>\$66,258</u>

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bloomfield Township, Jackson County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance and fire protection. The Township contracts with the Bloomfield Township Volunteer Fire Department to provide fire services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Cash and Investments

The Township has one checking account. The Township had no investments during the 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 (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Project Fund:

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

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 and function 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. The Township did not use the encumbrance method of accounting.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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>2002</u>	<u>2001</u>
Demand deposits	\$69,386	\$66,258

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,576	\$56,064	\$1,488
Special Revenue	107,632	122,615	14,983
Capital Projects	90,363	73,229	(17,134)
Total	\$252,571	\$251,908	(\$663)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$77,450	\$59,917	\$17,533
Special Revenue	113,855	102,038	11,817
Capital Projects	127,500	86,825	40,675
Total	\$318,805	\$248,780	\$70,025

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$48,951	\$69,342	\$20,391
Special Revenue	105,538	111,119	5,581
Capital Projects	65,299	134,679	69,380
Total	\$219,788	\$315,140	\$95,352

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,470	\$66,807	\$2,663
Special Revenue	108,237	102,580	5,657
Capital Projects	94,500	132,098	(37,598)
Total	\$272,207	\$301,485	(\$29,278)

Contrary to Ohio law, the Township did not encumber funds prior to incurring the obligation and had negative cash balances in the Gasoline and Fire District Funds. Also contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Motor Vehicle License Fund by \$6,522 and in the Fire District Fund by \$4,025 for the year ended December 31, 2001. Expenditures exceeded appropriation authority in the Fire District fund by \$7,964 for the year ended December 31, 2002.

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Note	\$36,414	5.75%

The general obligation note was issued to finance the purchase of a new backhoe to be used for Township road maintenance. The note is collateralized solely by the backhoe.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

5. DEBT (Continued)

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

	General Obligation Note
Year ending December 31:	
2003	\$10,450
2004	10,450
2005	10,450
2006	10,449
Total	\$41,799

6. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The Township has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

Risk Pool Membership

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

Casualty Coverage

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

7. RISK MANAGEMENT (Continued)

Risk Pool Membership (Continued)

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

Property Coverage

OTARMA retains property risks including automobile physical damage up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures specific losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective governments.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

8. PRIOR PERIOD RESTATEMENT

Due to a prior period adjustment, the fund balances of the Special Revenue Fund Type and the Capital Projects Fund Type required restatement. The effect of this change is as follows:

	<u>Special Revenue</u>	<u>Capital Projects</u>
Beginning fund balance, January 1, 2001	\$32,261	\$ 0
Adjustment	<u>(34,563)</u>	<u>34,563</u>
Adjusted beginning fund balance, January 1, 2000	<u>\$(2,302)</u>	<u>\$34,563</u>



**Auditor of State
Betty Montgomery**

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

Bloomfield Township
Jackson County
3235 State Route 327
Jackson, Ohio 45640

To the Board of Trustees:

We have audited the accompanying financial statements of Bloomfield Township, Jackson County, Ohio (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated September 18, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2002-01, 2002-02, 2002-03, 2002-04 and 2002-05. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 18, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated September 18, 2003.

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Bloomfield Township
Jackson County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 18, 2003

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code § 5705.10 requires that money paid into any fund shall be used only for the purposes for which the fund is established. As a result, a negative balance indicates that money from one fund was used to cover the expenses of another fund.

The Gasoline Tax Fund had a negative fund balance the first seven months of 2001. The Fire District Fund had a negative fund balance at December 31, 2001 and at December 31, 2002.

We recommend that the Township use money paid into each fund for the purpose for which the fund was established.

FINDING NUMBER 2002-002

Noncompliance Citation

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

In fiscal year 2001 expenditures exceed appropriation in the Motor Vehicle License Fund by \$6,522 (50%) and in the Fire District Fund by \$4,025 (15%). In 2002, expenditures exceeded appropriations in the Fire District Fund by \$7,964 (29%).

We recommend the Clerk and Trustees review budgetary financial reports to ensure expenditures do not exceed appropriations. The Clerk should deny payment requests exceeding appropriations. The Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources if necessary.

FINDING NUMBER 2002-003

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money 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 encumbrances. This certificate need be signed only by the Township Clerk. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements.

- A. Then and Now Certificates – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Township Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipts of such certificate.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2002-003 (Continued)

Noncompliance Citation - Ohio Rev. Code § 5705.41(D) (Continued)

- B. If the amount involved is less than \$1,000 dollars (which was increased to \$3,000 on April 7, 2003), the Township Clerk may authorize payment through a Then and Now Certificate without affirmation of the Township Trustees, if such expenditures is otherwise valid.

There is no evidence that the Clerk certified the availability of funds prior to expenditure for any of the Township's expenditures during the audit period.

We recommend that no orders or contracts be made unless the Clerk has certified that the amount required has been lawfully appropriated and is in the treasury or in the process of being collected

FINDING NUMBER 2002-004

Noncompliance Citation

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

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

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

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

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-005

Finding For Recovery

The time sheet completed by Township employee, Merrill Lanning, for June 2001 indicated that he worked 174 regular hours and 24 overtime hours for a total of 198 hours. The Clerk calculated his gross pay for 198 regular hours at \$9 per hour for a total gross pay of \$1,782. On July 2, 2001 Mr. Lanning was issued a second check for 24 overtime hours at \$13.50 per hour for a total gross pay of \$324. The combined total gross pay for these two checks was \$2,106.

Mr. Lanning should have been paid for 174 regular hours at \$9 per hour and 24 overtime hours at \$13.50 per hour for a total gross pay of \$1,890. As a result, Mr. Lanning was overpaid in the amount of \$216.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Merrill Lanning, Charlotte Johnson, Clerk, and Ohio Township Association Risk Management Authority, the Clerk's bonding company, jointly and severally, in the amount of two hundred sixteen dollars (\$216), and in favor of Bloomfield Township.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40740-001	Revised Code 5705.41(D), failure to certify funds	No	Not Corrected. Repeated in GAGAS letter as Finding 2002-03.
2000-40740-002	Revised Code 5705.10, negative fund balances	No	Not Corrected. Repeated in GAGAS letter as Finding 2002-01.

**BLOOMFIELD TOWNSHIP
JACKSON COUNTY**

**CORRECTIVE ACTION PLAN
DECEMBER 31, 2002 AND 2001**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-01	The Clerk and Trustees will monitor expenditures and fund balances to ensure that negative fund balances do not occur.	December 31, 2003	Charlotte Johnson, Clerk
2002-02	The Clerk and Trustees will monitor expenditures and modify appropriations when necessary. The Clerk will maintain an appropriation ledger.	December 31, 2003	Charlotte Johnson, Clerk
2002-03	The Clerk will certify funds prior to incurring the obligation or utilize Then and Now certificates.	December 31, 2003	Charlotte Johnson, Clerk
2002-04	The Clerk will maintain a revenue ledger and an appropriation ledger	December 31, 2003	Charlotte Johnson, Clerk
2002-05	Merrill Lanning will reimburse the Township for the overpayment	December 31, 2003	Charlotte Johnson, Clerk



**Auditor of State
Betty Montgomery**

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BLOOMFIELD TOWNSHIP

JACKSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 6, 2003**