



**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Bloomfield Township  
Jackson County  
3225 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, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the 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, 2000 and 1999, 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 August 10, 2001, 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.

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.

**Jim Petro**  
Auditor of State

August 10, 2001

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**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, 2000**

	<b>Governmental Fund Types</b>		<b>Total (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Local Taxes	\$20,803	\$36,144	\$56,947
Intergovernmental Receipts	27,076	129,747	156,823
Interest	321	1,694	2,015
Other Receipts	_____	600	600
Total Cash Receipts	48,200	168,185	216,385
<b>Cash Disbursements:</b>			
Current:			
General Government	44,203		44,203
Public Safety		23,148	23,148
Public Works	5,521	84,340	89,861
Capital Outlay	_____	70,118	70,118
Total Cash Disbursements	49,724	177,606	227,330
Total Cash Receipts Over/(Under)			
Cash Disbursements	(1,524)	(9,421)	(10,945)
Fund Cash Balances, January 1	21,865	41,682	63,547
<b>Fund Cash Balances, December 31</b>	<b>\$20,341</b>	<b>\$32,261</b>	<b>\$52,602</b>

*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, 1999**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$20,834	\$37,944	\$58,778
Charges for Service		357	357
Intergovernmental Receipts	27,135	213,938	241,073
Interest	446	892	1,338
Other Receipts	53	600	653
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	48,468	253,731	302,199
<b>Cash Disbursements:</b>			
Current:			
General Government	47,113		47,113
Public Safety		26,805	26,805
Public Works		182,577	182,577
Health	4,035		4,035
Capial Outlay		57,425	57,425
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	51,148	266,807	317,955
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/> (2,680)	<hr/> (13,076)	<hr/> (15,756)
Fund Cash Balances, January 1	<hr/> 24,545	<hr/> 54,758	<hr/> 79,303
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$21,865</b>	<hr/> <b>\$41,682</b>	<hr/> <b>\$63,547</b>

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



**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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 had one checking account and had no investments during 2000 and 1999.

**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 received gasoline tax monies to construct, maintain and repair Township roadways.

Fire Fund - This fund received property tax money to provide fire protection for the residents of the Township.

Permanent Improvement Fund - This fund received state sales tax monies used to maintain roads and bridges within the Township.

Issue II Fund - This fund received State grant monies to maintain pave Township roads.

**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

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

**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 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 encumber funds as required.

A summary of 2000 and 1999 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 and Sick Leave**

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

**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 at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$52,602</u>	<u>\$63,547</u>

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

**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999, follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$48,329	\$48,200	(\$129)
Special Revenue	<u>169,057</u>	<u>168,185</u>	<u>(872)</u>
Total	<u>\$217,386</u>	<u>\$216,385</u>	<u>(\$1,001)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$70,100	\$49,724	\$20,376
Special Revenue	<u>210,347</u>	<u>177,606</u>	<u>32,741</u>
Total	<u>\$280,447</u>	<u>\$227,330</u>	<u>\$53,117</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$40,000	\$48,468	\$8,468
Special Revenue	<u>155,363</u>	<u>253,731</u>	<u>98,368</u>
Total	<u>\$195,363</u>	<u>\$302,199</u>	<u>\$106,836</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$64,540	\$51,148	\$13,392
Special Revenue	<u>209,257</u>	<u>266,807</u>	<u>(57,550)</u>
Total	<u>\$273,797</u>	<u>\$317,955</u>	<u>(\$44,158)</u>

Contrary to Ohio law, the Gasoline Tax Fund had a negative cash balance as of December 31, 1999 of (\$3,961) and as of December 31, 2000 of (\$9,793). These deficits resulted from audit adjustments. As of June 30, 2001, the Township had reduced this deficit to (\$1,664).

**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**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 in 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 elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Effective July 1, 2000, the employers' contribution rate decreased to 8.13% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pools.

- General liability and casualty
- Public official's liability
- Vehicle
- Property

The Township also provides health, life, cancer, and dental insurance to elected officials and full-time employees through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS 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, 2000 and 1999, and have issued our report thereon dated August 10, 2001. 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 2000-40766-001 through 2000-40766-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated August 10, 2001.

**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 August 10, 2001.

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.

**Jim Petro**  
Auditor of State

August 10, 2001

**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

**FINDING NUMBER 2000-40740-001**

Ohio Rev. Code Section 5705.41(D), states that no orders or contracts involving the disbursement of monies are to be made 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.

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

- A. Then and Now Certificates - This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority has 30 days from the receipts of such certificate to approve payment by resolution. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing authority.
- B. Amounts of less than \$1,000 for townships, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the Then and Now certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditure by the taxing authority.

The Township Clerk did not certify funds as available on a Then and Now certificate or on purchase orders.

We recommend that the Clerk certify funds prior to incurring the obligation and only use Then and Now certifications when they are unable to certify the funds prior to incurring the obligation.

**FINDING NUMBER 2000-40740-002**

Ohio Rev. Code Section 5705.10 requires that money paid into any fund shall be used only for the purposes for which the fund is established.

The Gasoline Tax Fund had a negative fund balance as of December 31, 1999 in the amount of (\$3,961) and as of December 31, 2000 in the amount of (\$9,793). The deficits resulted from audit adjustment, which reduced the balance by \$10,072.

Negative cash balances indicate that monies from one fund were used to pay expenditures for another.

We recommend that the Township use money paid into each fund for the purpose for which the fund was established. The Township should adjust its appropriations and limit spending from this fund until it reestablishes a positive balance.

**BLOOMFIELD TOWNSHIP  
JACKSON COUNTY**

**CORRECTIVE ACTION PLAN  
DECEMBER 31, 2000 AND 1999**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-40740-001	Clerk will certify funds prior to incurring the obligation or utilize Then and Now certifications.	12/31/01	Charlotte Johnson, Clerk
2000-40740-002	Clerk and Trustees will monitor expenditures and appropriations.	06/30/01	Charlotte Johnson, Clerk







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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  
SEPTEMBER 4, 2001**