



**BLOOM TOWNSHIP  
WOOD COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**BLOOM TOWNSHIP  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Bloom Township  
Wood County  
5582 Bloomdale Road  
Bloomdale, Ohio 44817-9766

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Wood 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 audits.

We conducted our audits 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 audits 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 audits provide 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 the Township 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 June 12, 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

June 12, 2000

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**BLOOM TOWNSHIP  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY 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>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$51,974	\$153,339			\$205,313
Intergovernmental	18,193	83,333			101,526
Licenses, Permits, and Fees	1,850	7,800			9,650
Fines, Forfeitures, and Penalties	2,560				2,560
Earnings on Investments	1,384	1,491		\$3	2,878
Other Revenue	9,901	548			10,449
	<u>85,862</u>	<u>246,511</u>		<u>3</u>	<u>332,376</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	65,890				65,890
Public Safety	204	11,941			12,145
Public Works	53	101,326			101,379
Health	1,661	4,237			5,898
Human Services		15,318			15,318
Debt Service:					
Redemption of Principal			\$10,000		10,000
Interest and Fiscal Charges			1,524		1,524
Capital Outlay	1,281	48,461			49,742
	<u>69,089</u>	<u>181,283</u>	<u>11,524</u>		<u>261,896</u>
<b>Total Cash Disbursements</b>					
Total Receipts Over/(Under) Disbursements	<u>16,773</u>	<u>65,228</u>	<u>(11,524)</u>	<u>3</u>	<u>70,480</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes		30,000			30,000
Transfers-In			2,068		2,068
Transfers-Out	(2,068)				(2,068)
	<u>(2,068)</u>	<u>30,000</u>	<u>2,068</u>		<u>30,000</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	14,705	95,228	(9,456)	3	100,480
Fund Cash Balances, January 1	59,926	154,588	13,849	161	228,524
<b>Fund Cash Balances, December 31</b>	<b><u>\$74,631</u></b>	<b><u>\$249,816</u></b>	<b><u>\$4,393</u></b>	<b><u>\$164</u></b>	<b><u>\$329,004</u></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 AND FIDUCIARY 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>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$42,463	\$127,420			\$169,883
Intergovernmental	29,322	80,199			109,521
Licenses, Permits, and Fees	2,025	13,285			15,310
Fines, Forfeitures, and Penalties	2,406				2,406
Earnings on Investments	1,997	2,479		\$3	4,479
Other Revenue	12,617	425			13,042
<b>Total Cash Receipts</b>	<u>90,830</u>	<u>223,808</u>		<u>3</u>	<u>314,641</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	53,557				53,557
Public Safety	204	10,143			10,347
Public Works		139,591			139,591
Health	1,730	12,074			13,804
Human Services		17,109			17,109
Debt Service:					
Redemption of Principal			\$7,370		7,370
Interest and Fiscal Charges			681		681
Capital Outlay	12,180	13,519			25,699
<b>Total Cash Disbursements</b>	<u>67,671</u>	<u>192,436</u>	<u>8,051</u>		<u>268,158</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>23,159</u>	<u>31,372</u>	<u>(8,051)</u>	<u>3</u>	<u>46,483</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			13,849		13,849
Transfers-Out	(13,849)				(13,849)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(13,849)</u>		<u>13,849</u>		
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>9,310</u>	<u>31,372</u>	<u>5,798</u>	<u>3</u>	<u>46,483</u>
Fund Cash Balances, January 1	50,616	123,216	8,051	158	182,041
<b>Fund Cash Balances, December 31</b>	<u><u>\$59,926</u></u>	<u><u>\$154,588</u></u>	<u><u>\$13,849</u></u>	<u><u>\$161</u></u>	<u><u>\$228,524</u></u>

*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, Wood 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 general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical 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. 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. 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:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

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

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Capital Equipment Fund - Receives transfers in from the General Fund to make payment on backhoe note issued in 1996.

**4. Fiduciary Funds (Trust 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 fund:

Joe Meyers Bequest Fund - Fund receives interest to maintain graves in the Township 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. The Township did not use the encumbrance method of accounting for the fiscal period January 1, 1998 through December 31, 1999.

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.

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

**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**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$329,004</u>	<u>\$228,524</u>

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

**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	\$96,800	\$85,862	(\$10,938)
Special Revenue	214,313	276,511	62,198
Capital Projects	20,000	2,068	(17,932)
Fiduciary	3	3	
Total	<u>\$331,116</u>	<u>\$364,444</u>	<u>\$33,328</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$157,987	\$71,157	\$86,830
Special Revenue	354,361	181,283	173,078
Capital Projects	29,130	11,524	17,606
Fiduciary	163		163
Total	<u>\$541,641</u>	<u>\$263,964</u>	<u>\$277,677</u>

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

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$76,769	\$90,830	\$14,061
Special Revenue	203,862	223,808	19,946
Capital Projects	8,051	13,849	5,798
Fiduciary	161	3	(158)
Total	<u>\$288,843</u>	<u>\$328,490</u>	<u>\$39,647</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$127,385	\$81,520	\$45,865
Special Revenue	369,238	192,436	176,802
Capital Projects	8,051	8,051	
Fiduciary	161		161
Total	<u>\$504,835</u>	<u>\$282,007</u>	<u>\$222,828</u>

**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.

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, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Backhoe Note	\$6,000	7.10%
Fire Tanker Note	<u>30,000</u>	8.25%
Total	<u>\$36,000</u>	

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

The backhoe note was issued to finance in 1996 to finance the purchase of a new backhoe to be used for Township road maintenance. The note is secured by the backhoe.

The fire tanker note was issued to finance in 1999 to finance the purchase of a 2000 gallon stainless steel water tank to be used by the Township fire department. The note is secured by the tank.

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

Year ending December 31:	Backhoe Note	Fire Tanker Note
2000	\$6,452	\$16,972
2001	_____	16,972
Total	\$6,452	\$33,944

**6. RETIREMENT SYSTEMS**

The Township's officials and 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 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.

**7. RISK MANAGEMENT**

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

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

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

Bloom Township  
Wood County  
5582 Bloomdale Road  
Bloomdale, Ohio 44817-9766

To the Board of Trustees:

We have audited the accompanying financial statements of Bloom Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 12, 2000. We conducted our audits 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 audits 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 1999-40187-001.

### 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 June 12, 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

June 12, 2000



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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-40187-001**

**Noncompliance Citation**

Ohio Administrative Code § 117-3-11(C) requires each expenditure or encumbrance charged against an appropriation account shall be posted and subtracted from the appropriated balance producing a declining unencumbered balance. This procedure is to be initiated by an executed purchase order.

Obligations entered into by the Township were not encumbered against appropriations. The Township Clerk did not utilize purchase orders and did not post encumbrances to the appropriations ledger.

Failure to utilize the encumbrance method of accounting could result in expenditures exceeding appropriations and eventually lead to deficit spending. We recommend the Township implement the encumbrance system of accounting by utilizing purchase orders to identify purchase commitments and to record such obligations in the appropriation ledger.





STATE OF OHIO  
OFFICE OF THE AUDITOR

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**BLOOM TOWNSHIP**

**WOOD 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  
JULY 6, 2000**