



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Bloomfield Township
Trumbull County
P.O. Box 34
North Bloomfield, OH 44450

To the Board of Trustees:

We have audited the accompanying financial statements of Bloomfield Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000. 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 and reserves for encumbrances of the Township as of December 31, 2001 and December 31, 2000, 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 19, 2002 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 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 19, 2002

**BLOOMFIELD TOWNSHIP
TRUMBULL 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>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$22,890	\$29,216	\$22,685	\$74,791
Intergovernmental	46,590	63,611		110,201
Charges for Services		2,025		2,025
Licenses, Permits, and Fees		7,240		7,240
Earnings on Investments	989	686		1,675
Other Revenue	4,188	8,222		12,410
Total Cash Receipts	<u>74,657</u>	<u>111,000</u>	<u>22,685</u>	<u>208,342</u>
Cash Disbursements:				
Current:				
General Government	46,085	1,280		47,365
Public Safety	0	14,065		14,065
Public Works	13,884	72,128		86,012
Health	1,710	8,979		10,689
Conservation - Recreation	3,468			3,468
Debt Service:				
Redemption of Principal			19,566	19,566
Interest and Fiscal Charges			3,119	3,119
Capital Outlay	1,608	3,682		5,290
Total Cash Disbursements	<u>66,755</u>	<u>100,134</u>	<u>22,685</u>	<u>189,574</u>
Total Receipts Over/(Under) Disbursements	<u>7,902</u>	<u>10,866</u>	<u>0</u>	<u>18,768</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sale of Public Debt:				
Sale of Notes		45,000		45,000
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>45,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,902	55,866	0	63,768
Fund Cash Balances, January 1, 2001	<u>29,917</u>	<u>58,897</u>	<u>0</u>	<u>88,814</u>
Fund Cash Balances, December 31, 2001	<u>\$37,819</u>	<u>\$114,763</u>	<u>\$0</u>	<u>\$152,582</u>
Reserve for Encumbrances, December 31, 2001	<u>\$0</u>	<u>\$27,064</u>	<u>\$0</u>	<u>\$27,064</u>

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

**BLOOMFIELD TOWNSHIP
TRUMBULL 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$22,427	\$27,154	\$23,743	\$73,324
Intergovernmental	54,571	70,125		124,696
Charges for Services		5,530		5,530
Licenses, Permits, and Fees		6,490		6,490
Earnings on Investments	803	529		1,332
Other Revenue	1,832	7,013		8,845
Total Cash Receipts	<u>79,633</u>	<u>116,841</u>	<u>23,743</u>	<u>220,217</u>
Cash Disbursements:				
Current:				
General Government	45,479	1,088		46,567
Public Safety		12,203		12,203
Public Works	1,102	73,082		74,184
Health	2,501	8,748		11,249
Conservation - Recreation	3,771	0		3,771
Debt Service:				
Redemption of Principal			19,576	19,576
Interest and Fiscal Charges			4,167	4,167
Capital Outlay	4,502	9,266		13,768
Total Cash Disbursements	<u>57,355</u>	<u>104,387</u>	<u>23,743</u>	<u>185,485</u>
Total Receipts Over/(Under) Disbursements	<u>22,278</u>	<u>12,454</u>	<u>0</u>	<u>34,732</u>
Other Financing Receipts/(Disbursements):				
Other Uses	(144)			(144)
Total Other Financing Receipts/(Disbursements)	<u>(144)</u>	<u>0</u>	<u>0</u>	<u>(144)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	22,134	12,454	0	34,588
Fund Cash Balances, January 1, 2000	<u>7,783</u>	<u>46,443</u>	<u>0</u>	<u>54,226</u>
Fund Cash Balances, December 31, 2000	<u>\$29,917</u>	<u>\$58,897</u>	<u>\$0</u>	<u>\$88,814</u>
Reserve for Encumbrances, December 31, 2000	<u>\$0</u>	<u>\$25,625</u>	<u>\$0</u>	<u>\$25,625</u>

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

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bloomfield Township, Trumbull 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'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 and Investments

The Township has an interest bearing checking account. Interest earned is recognized and recorded when received. Investment procedures are restricted by the provisions of the Ohio Revised Code. No investments were held by the Township.

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:

Road and Bridge Fund - This fund receives property tax money to construct, maintain and repair Township roads and bridges.

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fire District Fund - This fund receives property tax money for operation of the Township Fire Department

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township has established a Bond Note Retirement Fund to account for the repayment of general obligation notes related to the purchase of a fire truck apparatus and a road improvement project.

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 carried over and need not be reappropriated. The Township did not encumber all commitments required by Ohio law.

A summary of 2001 and 2000 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
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment 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:

	2001	2000
Demand deposits	\$152,582	\$88,814

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,197	\$74,657	(\$6,540)
Special Revenue	157,500	156,000	(1,500)
Debt Service	22,685	22,685	0
Total	\$261,382	\$253,342	(\$8,040)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$96,116	\$66,755	\$29,361
Special Revenue	181,516	127,198	54,318
Debt Service	22,686	22,685	1
Total	\$300,318	\$216,638	\$83,680

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,358	\$79,633	\$11,275
Special Revenue	120,007	116,841	(3,166)
Debt Service	23,743	23,743	0
Total	\$212,108	\$220,217	\$8,109

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,651	\$57,499	\$2,152
Special Revenue	151,079	130,012	21,067
Debt Service	23,743	23,743	0
Total	\$234,473	\$211,254	\$23,219

Contrary to Ohio law, the Township did not properly certify expenditures for 23% of the expenditures tested.

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.

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.

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
General Obligation Notes-Fire Truck Aparatus	\$38,684	5.35%
General Obligation Notes-Road Improvement	45,000	5.00%
Total	\$83,684	

The general obligation notes were issued to finance the purchase of a new fire truck apparatus for the Township Fire Department and to help pay for road maintenance.

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

Year ending December 31:	General Obligation Notes
2002	\$38,890
2003	37,094
2004	15,763
Total	\$91,747

6. RETIREMENT SYSTEMS

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 post-retirement 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 2001 and 2000, 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 from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance to 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
Trumbull County
P.O. Box 34
North Bloomfield, OH 44450

To the Board of Trustees:

We have audited the accompanying financial statements of Bloomfield Township (the Township) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 19, 2002. 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 an instance of noncompliance that is required to be reported under *Governmental Auditing Standards* which is described in the accompanying schedule of findings as item 2001-41178-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 19, 2002.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 19, 2002.

Bloomfield Township
Trumbull 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Petro
Auditor of State

June 19, 2002

**BLOOMFIELD TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-41178-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

A. Then and Now Certificate- 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 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 receipt of such certificate, if such expenditure is otherwise valid.

B. If the amount involved is less than one thousand dollars the fiscal officer may issue a warrant upon completing a then and now certificate, but may authorize it to be paid without affirmation of the Board of Trustees.

Proper certification was not obtained in 23% of the expenditures tested. The Township received this noncompliance citation in the previous audit in the Management Letter.

Unless the certification meets one of the two above exceptions, the Clerk should certify funds before the Township's monies are obligated using a regular or blanket certificate (as further permitted by ORC 5705.41(D)). This certificate should be signed by the Clerk.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BLOOMFIELD TOWNSHIP

TRUMBULL 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 9, 2002**