

BLOOM TOWNSHIP

SCIOTO COUNTY

REGULAR AUDIT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2007 AND 2006

YEARS AUDITED UNDER GAGAS: 2007 AND 2006

CAUDILL & ASSOCIATES CPA's

725 5TH Street
Portsmouth, Ohio 45662



Mary Taylor, CPA
Auditor of State

Board of Trustees
Bloom Township
P.O. Box 613
South Webster, Ohio 45682

We have reviewed the *Independent Auditor's Report* of Bloom Township, Scioto County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Bloom Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 4, 2008

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**BLOOM TOWNSHIP
SCIOTO COUNTY**

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Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Bloom Township
Scioto County
P.O. Box 613
South Webster, Ohio 45682

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloom Township, Scioto County, Ohio, (the Township) as of and for the years ended December 31, 2007 and 2006 which collectively comprise the Township's basic financial statements. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 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 audit provides a reasonable basis for our opinions.

As discussed in Note 2, the Township has prepared these financial statements and notes using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Bloom Township, Scioto County, Ohio as of December 31, 2007, and 2006, and the respective changes in financial position-cash basis and the respective budgetary comparisons for the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, and FEMA Grant Fund (2006 Only), thereof and for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2008, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Trustees
Bloom Township
Independent Auditor's Report

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Caudill & Associates, CPAs

Caudill & Associates, CPAs

June 30, 2008

Bloom Township
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

This management discussion and analysis of Bloom Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007 and December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key financial highlights for 2007 and 2006 are as follows:

Net assets of governmental activities increased \$24,501 or 42% in 2007, and \$2,913 or 5% in 2006. The funds most affected by the increase in cash and cash equivalents were the General Fund and the Gasoline Tax and FEMA Grant Special Revenue Funds.

The Township's general receipts are primarily property and other local taxes. These receipts represent \$56,833 or 69% and \$59,895 or 76% , in 2007 and 2006, respectively, of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Bloom Township
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, we divide the Township into two types of activities:

Governmental Activities – Most of the Township's basic services are reported here, including general government services, maintenance of Township roads and bridges, and cemetery maintenance. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type Activities – The Township has no business-type activities.

Bloom Township
 Management's Discussion and Analysis
 For the Years Ended December 31, 2007 and December 31, 2006
 Unaudited

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund and Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, and FEMA Grant Special Revenue Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 compared to 2005 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2007	2006	2005
Assets			
Cash and Cash Equivalents	\$81,990	\$57,489	\$54,576
Net Assets			
Restricted for Other Purposes	82,345	65,941	65,033
Unrestricted	(355)	(8,452)	(10,457)
Total Net Assets	\$81,990	\$57,489	\$54,576

As mentioned previously, net assets of governmental activities increased \$24,501 and \$2,913 during 2007 and 2006, respectively. The primary reason contributing to this increase was the Township began monitoring disbursements more closely within its funds in an effort to better control its spending situation.

Bloom Township
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

Table 2 reflects the changes in net assets for 2007, 2006 and 2005.

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Receipts:			
Operating Grants	\$111,249	\$118,026	\$139,474
General Receipts:			
Property Taxes	56,833	59,895	56,049
Grants and Entitlements Not Restricted to Specific Programs	14,016	11,479	13,944
Interest	414	378	210
Miscellaneous	10,782	6,371	8,940
Total General Receipts	82,045	78,123	79,143
<i>Total Receipts</i>	193,294	196,149	218,617
Disbursements:			
General Government	50,151	56,254	50,333
Public Works	111,382	127,104	112,986
Health	5,520	8,138	2,783
Debt Service:			
Principal Retirement	1,740	1,740	870
<i>Total Disbursements</i>	168,793	193,236	166,972
<i>Increase in Net Assets</i>	24,501	2,913	51,645
<i>Net Assets Beginning of Year</i>	57,489	54,576	2,931
<i>Net Assets End of Year</i>	81,990	\$57,489	\$54,576

Program receipts represent \$111,249 and \$118,026 of total receipts in 2007 and 2006, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax monies along with FEMA grants.

General receipts represent \$82,045 and \$78,123 in 2007 and 2006, respectively, of the Township's total receipts, and of this amount, \$56,833 and \$59,895 in 2007 and 2006, respectively, are property taxes. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Bloom Township
 Management's Discussion and Analysis
 For the Years Ended December 31, 2007 and December 31, 2006
 Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These activities include costs of the auditor, fiscal officer, and a portion of the trustees, as well as internal services such as payroll and purchasing. General government represents \$50,151 of total disbursements of \$168,793 in 2007, and \$56,254 of total disbursements of \$193,236 in 2006 while public works disbursements represent \$111,382 and \$127,104 in 2007 and 2006, respectively, of the total. Disbursements included within public works include primarily street maintenance, trustees' salaries and benefits.

Governmental Activities

If you look at the Statement of Activities on pages 11 and 13, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. As previously mentioned, the major program disbursements for governmental activities are for general government and public works. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services 2007	Net Cost of Services 2007	Total Cost Of Services 2006	Net Cost of Services 2006	Total Cost Of Services 2005	Net Cost of Services 2005
General Government	\$50,151	\$50,151	\$56,254	\$56,254	\$50,333	\$50,333
Public Works	111,382	133	127,104	9,078	112,986	(26,488)
Health	5,520	5,520	8,138	8,138	2,783	2,783
Debt Service:						
Principal Retirement	1,740	1,740	1,740	1,740	870	870
Total Expenses	<u>\$168,793</u>	<u>\$57,544</u>	<u>\$193,236</u>	<u>\$75,210</u>	<u>\$166,972</u>	<u>\$27,498</u>

The Township's Funds

Total governmental funds had receipts of \$193,294 and \$196,149 and disbursements of \$168,793 and \$193,236 in 2007 and 2006, respectively. The greatest change within governmental funds occurred within the Gasoline Tax Special Revenue Fund. The fund balance of the Gasoline Tax Fund increased \$22,763 and \$19,127, in 2007 and 2006, respectively. While receipts and disbursements increased proportionately when compared to the prior year, the Township did monitor spending within this fund and as a result an increase in the Gasoline Tax fund balance occurred.

General Fund receipts were greater than disbursements indicating that the General Fund has made progress in eliminating its deficit spending situation. The Township has started monitoring disbursements more closely within the General Fund in an effort to better control its spending situation.

Bloom Township
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

In 2007, The Motor Vehicle License Tax Special Revenue fund balance increased \$1,984 as result of the Township making additional salary and operating supply disbursements from other funds in 2007 rather than from this fund as it had in the past. In 2006, The Motor Vehicle License Tax Special Revenue fund balance decreased \$4,830 as result of the Township making additional salary and operating supply disbursements from this fund in 2006 rather than from other funds as it had in the past.

In 2007, The Road and Bridge Special Revenue fund balance decreased \$4,203 as result of the Township making capital purchases from this fund during the year. In 2006, The Road and Bridge Special Revenue fund balance increased \$4,535 as result of the Township making disbursements for various contractual services from other funds in 2006 rather than from this fund as it had in the past.

In 2006, The FEMA Grant Special Revenue fund balance decreased \$17,110 as result of the Township making the repairs on Jackson-Fork Road.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The Township amended its General Fund budget as needed. There was very little change in receipt amounts reflected in the final budget and actual receipts of the Township. Final budgeted receipts in the amount of \$56,021 and \$58,187 were greater than original budgeted receipts in the amount of \$51,351 and \$53,206 in 2007 and 2006, respectively. The difference is primarily due to property taxes being higher than original estimates.

The increase in disbursements from the original to the final budget was \$3,877 and \$975 in 2007 and 2006, respectively, which is the result of property tax collection fees being larger than originally anticipated. The difference in actual disbursements made from the final budget was \$1,711 and (\$2,080), respectively.

Actual General Fund receipts were greater than disbursements by \$8,097 and \$2,005 in 2007 and 2006, respectively. This was the result of the Township monitoring disbursements more closely within the General Fund in an effort to better control its spending situation.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2007, the Township's outstanding debt included one Ohio Public Works Commission loan with a balance of \$7,831. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

Bloom Township
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Diana Stonerock, Fiscal Officer, Bloom Township, 661 Webster St., South Webster, OH 45682.

Bloom Township
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$81,990</u></u>
<u>Net Assets:</u>	
Restricted for Other Purposes	82,345
Unrestricted	<u>(355)</u>
<i>Total Net Assets</i>	<u><u>\$81,990</u></u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	<u>Program Cash Receipts</u>	
Cash Disbursements	Operating Grants	Net Receipts (Disbursements) and Changes in Net Assets
<u>Governmental Activities:</u>		
General Government	\$0	(\$50,151)
Public Works	111,249	(133)
Health	0	(5,520)
Debt Service:		
Principal Retirement	0	(1,740)
<i>Total Governmental Activities</i>	<u>\$111,249</u>	<u>(57,544)</u>
<u>General Receipts:</u>		
Property Taxes Levied for:		
General Purposes		56,833
Grants and Entitlements not Restricted to Specific Programs		14,016
Interest		414
Miscellaneous		10,782
<i>Total General Receipts</i>		<u>82,045</u>
<i>Change in Net Assets</i>		24,501
<i>Net Assets Beginning of Year</i>		57,489
<i>Net Assets End of Year</i>		\$81,990

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$57,489</u></u>
<u>Net Assets:</u>	
Restricted for Other Purposes	65,941
Unrestricted	<u>(8,452)</u>
<i>Total Net Assets</i>	<u><u>\$57,489</u></u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts		
Cash Disbursements	Operating Grants	Net Receipts (Disbursements) and Changes in Net Assets	
<i>Governmental Activities:</i>			
General Government	\$56,254	\$0	(\$56,254)
Public Works	127,104	118,026	(9,078)
Health	8,138	0	(8,138)
Debt Service:			
Principal Retirement	1,740	0	(1,740)
<i>Total Governmental Activities</i>	\$193,236	\$118,026	(75,210)
<i>General Receipts:</i>			
Property Taxes Levied for:			
General Purposes			59,895
Grants and Entitlements not Restricted to Specific Programs			11,479
Interest			378
Miscellaneous			6,371
<i>Total General Receipts</i>			78,123
<i>Change in Net Assets</i>			2,913
<i>Net Assets Beginning of Year</i>			54,576
<i>Net Assets End of Year</i>			\$57,489

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	(\$355)	\$10,174	\$56,879	\$6,874	\$8,418	\$81,990
<u>Fund Balances:</u>						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	(355)	0	0	0	0	(355)
Special Revenue Funds	0	10,174	56,879	6,874	8,418	82,345
Total Fund Balances	(\$355)	\$10,174	\$56,879	\$6,874	\$8,418	\$81,990

See Accompanying Notes to the Basic Financial Statements

Bloom Township

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

For the Year Ended December 31, 2007

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<u>Receipts:</u>						
Property Taxes	\$45,081	\$0	\$0	\$11,752	\$0	\$56,833
Intergovernmental	12,644	11,865	84,162	2,350	14,244	125,265
Interest	121	49	232	0	12	414
Other	402	55	3,613	55	6,657	10,782
<i>Total Receipts</i>	<u>58,248</u>	<u>11,969</u>	<u>88,007</u>	<u>14,157</u>	<u>20,913</u>	<u>193,294</u>
<u>Disbursements:</u>						
Current:						
General Government	50,151	0	0	0	0	50,151
Public Works	0	9,985	63,504	18,360	19,533	111,382
Health	0	0	0	0	5,520	5,520
Debt Service:						
Principal Retirement	0	0	1,740	0	0	1,740
<i>Total Disbursements</i>	<u>50,151</u>	<u>9,985</u>	<u>65,244</u>	<u>18,360</u>	<u>25,053</u>	<u>168,793</u>
Net Change in Fund Balances	8,097	1,984	22,763	(4,203)	(4,140)	24,501
Fund Balances (Deficit) Beginning of Year - Restated (Note 12)	<u>(8,452)</u>	<u>8,190</u>	<u>34,116</u>	<u>11,077</u>	<u>12,558</u>	<u>57,489</u>
Fund Balances (Deficit) End of Year	<u>(\$355)</u>	<u>\$10,174</u>	<u>\$56,879</u>	<u>\$6,874</u>	<u>\$8,418</u>	<u>\$81,990</u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$39,915	\$44,037	\$45,081	\$1,044
Intergovernmental	11,370	11,907	12,644	737
Interest	66	66	121	55
Other	0	11	402	391
<i>Total Receipts</i>	<u>51,351</u>	<u>56,021</u>	<u>58,248</u>	<u>2,227</u>
<u>Disbursements:</u>				
Current:				
General Government	47,985	51,862	50,151	1,711
Net Change in Fund Balance	3,366	4,159	8,097	3,938
Fund Balances (Deficit) Beginning of Year	<u>(8,452)</u>	<u>(8,452)</u>	<u>(8,452)</u>	<u>0</u>
Fund Balances (Deficit) End of Year	<u><u>(\$5,086)</u></u>	<u><u>(\$4,293)</u></u>	<u><u>(\$355)</u></u>	<u><u>\$3,938</u></u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Intergovernmental	\$11,500	\$11,500	\$11,865	\$365
Interest	56	28	49	21
Other	0	4	55	51
<i>Total Receipts</i>	<u>11,556</u>	<u>11,532</u>	<u>11,969</u>	<u>437</u>
<u>Disbursements:</u>				
Current:				
Public Works	<u>12,610</u>	<u>12,086</u>	<u>9,985</u>	<u>2,101</u>
Net Change in Fund Balance	(1,054)	(554)	1,984	2,538
Fund Balance Beginning of Year	<u>8,190</u>	<u>8,190</u>	<u>8,190</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$7,136</u></u>	<u><u>\$7,636</u></u>	<u><u>\$10,174</u></u>	<u><u>\$2,538</u></u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$72,000	\$72,000	\$84,162	\$12,162
Interest	65	65	232	167
Other	0	15	3,613	3,598
<i>Total Receipts</i>	72,065	72,080	88,007	15,927
<u>Disbursements:</u>				
Current:				
Public Works	57,199	70,608	63,504	7,104
Debt Service:				
Principal Retirement	1,740	1,740	1,740	0
<i>Total Disbursements</i>	58,939	72,348	65,244	7,104
Net Change in Fund Balance	13,126	(268)	22,763	23,031
Fund Balances Beginning of Year - Restated (Note 12)	34,116	34,116	34,116	0
Fund Balance End of Year	\$47,242	\$33,848	\$56,879	\$23,031

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$9,870	\$11,475	\$11,752	\$277
Intergovernmental	1,200	2,233	2,350	117
Other	0	4	55	51
<i>Total Receipts</i>	<u>11,070</u>	<u>13,712</u>	<u>14,157</u>	<u>445</u>
<u>Disbursements:</u>				
Current:				
Public Works	9,487	21,323	18,360	2,963
Net Change in Fund Balance	1,583	(7,611)	(4,203)	3,408
Fund Balance Beginning of Year - Restated (Note 12)	<u>11,077</u>	<u>11,077</u>	<u>11,077</u>	<u>0</u>
Fund Balance End of Year	<u>\$12,660</u>	<u>\$3,466</u>	<u>\$6,874</u>	<u>\$3,408</u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2007

	<u>Private Purpose Trust</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,251</u>
<u>Net Assets:</u>	
Held in Trust for Cemetery Maintenance	<u>\$4,251</u>

See accompanying notes to the basic financial statements

Bloom Township
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2007

	Private Purpose Trust
<u>Additions:</u>	
Interest	\$149
<u>Deductions:</u>	0
Change in Net Assets	149
Net Assets Beginning of Year	4,102
Net Assets End of Year	\$4,251

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	FEMA Grant	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>							
Equity in Pooled Cash and Cash Equivalents	(\$8,452)	\$8,190	\$34,586	\$10,607	\$7,170	\$5,388	\$57,489
<u>Fund Balances:</u>							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	(8,452)	0	0	0	0	0	(8,452)
Special Revenue Funds	0	8,190	34,586	10,607	7,170	5,388	65,941
Total Fund Balances	(\$8,452)	\$8,190	\$34,586	\$10,607	\$7,170	\$5,388	\$57,489

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Motor Vehicle License Tax	Gasoline Tax	Road and Bridge	FEMA Grant	Other Governmental Funds	Total Governmental Funds
<u>Receipts:</u>							
Property Taxes	\$46,487	\$0	\$0	\$12,088	\$0	\$0	\$58,575
Intergovernmental	11,479	11,453	86,201	2,956	4,290	14,446	130,825
Interest	180	65	119	0	0	14	378
Other	113	4	516	4	0	5,734	6,371
Total Receipts	58,259	11,522	86,836	15,048	4,290	20,194	196,149
<u>Disbursements:</u>							
Current:							
General Government	56,254	0	0	0	0	0	56,254
Public Works	0	16,352	65,969	10,513	21,400	12,870	127,104
Health	0	0	0	0	0	8,138	8,138
Debt Service:							
Principal Retirement	0	0	1,740	0	0	0	1,740
Total Disbursements	56,254	16,352	67,709	10,513	21,400	21,008	193,236
Net Change in Fund Balances	2,005	(4,830)	19,127	4,535	(17,110)	(814)	2,913
Fund Balances (Deficit) Beginning of Year	(10,457)	13,020	15,459	6,072	24,280	6,202	54,576
Fund Balances (Deficit) End of Year	<u>(\$8,452)</u>	<u>\$8,190</u>	<u>\$34,586</u>	<u>\$10,607</u>	<u>\$7,170</u>	<u>\$5,388</u>	<u>\$57,489</u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property Taxes	\$41,800	\$46,328	\$46,487	\$159
Intergovernmental	11,356	11,709	11,479	(230)
Interest	50	150	180	30
Other	0	0	113	113
<i>Total Receipts</i>	<u>53,206</u>	<u>58,187</u>	<u>58,259</u>	<u>72</u>
<u>Disbursements:</u>				
Current:				
General Government	53,199	54,174	56,254	(2,080)
Net Change in Fund Balance	7	4,013	2,005	(2,008)
Fund Balances (Deficit) Beginning of Year	<u>(10,457)</u>	<u>(10,457)</u>	<u>(10,457)</u>	<u>0</u>
Fund Balances (Deficit) End of Year	<u>(\$10,450)</u>	<u>(\$6,444)</u>	<u>(\$8,452)</u>	<u>(\$2,008)</u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variance Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Intergovernmental	\$11,500	\$11,468	\$11,453	(\$15)
Interest	50	50	65	15
Other	0	0	4	4
<i>Total Receipts</i>	<u>11,550</u>	<u>11,518</u>	<u>11,522</u>	<u>4</u>
<u>Disbursements:</u>				
Current:				
Public Works	<u>15,462</u>	<u>16,203</u>	<u>16,352</u>	<u>(149)</u>
Net Change in Fund Balance	(3,912)	(4,685)	(4,830)	(145)
Fund Balance Beginning of Year	<u>13,020</u>	<u>13,020</u>	<u>13,020</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$9,108</u></u>	<u><u>\$8,335</u></u>	<u><u>\$8,190</u></u>	<u><u>(\$145)</u></u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$72,000	\$81,617	\$86,201	\$4,584
Interest	50	50	119	69
Other	0	0	516	516
<i>Total Receipts</i>	72,050	81,667	86,836	5,169
<u>Disbursements:</u>				
Current:				
Public Works	65,530	64,464	65,969	(1,505)
Debt Service:				
Principal Retirement	1,740	1,740	1,740	0
<i>Total Disbursements</i>	67,270	66,204	67,709	(1,505)
Net Change in Fund Balance	4,780	15,463	19,127	3,664
Fund Balances Beginning of Year	15,459	15,459	15,459	0
Fund Balance End of Year	\$20,239	\$30,922	\$34,586	\$3,664

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Property Taxes	\$8,800	\$12,061	\$12,088	\$27
Intergovernmental	1,200	2,955	2,956	1
Interest	50	42	0	(42)
Other	0	0	4	4
<i>Total Receipts</i>	10,050	15,058	15,048	(10)
<u>Disbursements:</u>				
Current:				
Public Works	12,442	11,227	10,513	714
Net Change in Fund Balance	(2,392)	3,831	4,535	704
Fund Balance Beginning of Year	6,072	6,072	6,072	0
Fund Balance End of Year	\$3,680	\$9,903	\$10,607	\$704

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
FEMA Grant Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	<i>Variance Positive (Negative)</i>
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$0	\$4,290	\$4,290	\$0
<u>Disbursements:</u>				
Current:				
Public Works	24,280	27,160	21,400	5,760
Net Change in Fund Balance	(24,280)	(22,870)	(17,110)	5,760
Fund Balance Beginning of Year	24,280	24,280	24,280	0
Fund Balance End of Year	<u>\$0</u>	<u>\$1,410</u>	<u>\$7,170</u>	<u>\$5,760</u>

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2006

	<u>Private Purpose Trust</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$4,102</u>
<u>Net Assets:</u>	
Held in Trust for Cemetery Maintenance	<u>\$4,102</u>

See accompanying notes to the basic financial statements

Bloom Township
Statement of Changes in Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2006

	Private Purpose Trust
<u>Additions:</u>	
Interest	\$89
<u>Deductions:</u>	
	0
Change in Net Assets	89
Net Assets Beginning of Year	4,013
Net Assets End of Year	\$4,102

See Accompanying Notes to the Basic Financial Statements

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 1 – Reporting Entity

Bloom Township, Scioto County, Ohio (the “Township”), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization’s governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization’s resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

A. Basis of Presentation

The Township’s basic financial statements consist of government-wide financial statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. The Township has no business-type activities.

The Statement of Net Assets presents the cash balance of the governmental activities of the Township at year end. The Statement of Activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories: governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

General Fund – The General Fund is the operating fund of the Township and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

Motor Vehicle License Tax Fund – To account for intergovernmental motor vehicle revenues used for road repairs and upkeep.

Gasoline Tax Fund – Required by the Ohio Revised Code to account for State gasoline tax monies designated for maintenance of streets within the Township.

Road & Bridge Fund – Required by the Ohio Revised Code to account for property and other local taxes designated for maintenance of streets within the Township.

FEMA Grant Fund – To account for Revenues received for emergency management disbursements.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has one private purpose trust fund, the Cemetery Bequest Fund, which receives interest income for maintaining the cemetery.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund was \$121 and \$180 during 2007 and 2006, respectively, which was assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Long-Term Obligations

The Township’s cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The Township has no restricted net assets.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Accountability

The General Fund had a deficit balance of \$355 and \$8,452, during 2007 and 2006, respectively. The Township is currently in Fiscal Emergency due in part to deficit fund balances. The Township has adopted a recovery plan to address these issues.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and the Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, and FEMA Grant Major Special Revenue Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 5 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 5 – Deposits and Investments (Continued)

one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, all of \$89,887 Township's bank balance was insured and was not exposed to custodial credit risk.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2007, and are collected with real property taxes. Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes, respectively. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 and for 2006 is 18.75. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007 and December 31, 2006, was \$1.91 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property:		
Agricultural/Residential	\$16,119,250	\$15,869,470
Commercial/Industrial/Mineral	197,690	134,050
Tangible Personal Property:		
General	74,530	100,950
Public Utility Real	7,700,260	7,837,990
Total Assessed Value	<u>\$24,091,730</u>	<u>\$23,942,460</u>

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 7 – Risk Management

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. 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 \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, up to \$2,650,000 per claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$3,000,000 as noted above.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$250,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$250,000 up to \$600 million per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

Property and casualty settlements did not exceed insurance coverage for the past three years.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 8 – Defined Benefit Pension Plan (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2007 and 2006,, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5 and 9 percent, respectively of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.85 and 13.7 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, 2005, and 2004, were \$7,506, \$7,467, \$4,911 and \$5,953, respectively. The full amount has been contributed for 2007, 2006, 2005 and 2004. No contributions to the member-directed plan were made during 2007 and 2006.

Note 9 – Post-employment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 and 13.7 percent, respectively, of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.0 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 9 – Post-employment Benefits (Continued)

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$2,439 and \$2,453, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006 and December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 10 – Debt

The Township's long-term debt activity for the year ended December 31, 2007 was as follows:

	<u>2007</u>				
	Principal Outstanding 12/31/06	Additions	Deductions	Principal Outstanding 12/31/07	Amounts Due Within One Year
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2002 OPWC Loan 0%					
Original Issue (\$17,401)	\$9,571	\$0	\$1,740	\$7,831	\$1,740
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The OPWC loan was issued to finance the resurfacing of Piquet Road. The loan will be repaid in semi-annual installments over 10 years.

The following is a summary of the Township's future annual debt service requirements:

	OPWC Loan Principal
Year	<u> </u>
2008	\$1,740
2009	1,740
2010	1,740
2011	1,740
2012	871
Total	<u> </u> \$7,831

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 10 – Debt (Continued)

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2007 and December 31, 2006, were an overall debt margin of \$2,529,632 and \$2,513,958, and an un-voted debt margin of \$1,325,045 and \$1,316,835, respectively.

Note 11 – Contingent Liabilities

Litigation

The Township is not party to any legal proceedings.

Federal and State Grants

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Restatement of Prior Year Fund Balances

During 2007, the Township posted an audit adjustment from its 2004/2005 audit. A restatement is necessary to correct the amount shown on the financial statements.

	Gasoline Tax Fund	Road and Bridge Fund
Fund Balance, December 31, 2006	\$34,586	\$10,607
Restatement of Equity in Pooled Cash and Cash Equivalents	(470)	470
Fund Balance, December 31, 2006, as Restated	\$34,116	\$11,077

Note 13 – Compliance

Contrary to Ohio Rev. Code Section 5705.41 (B), the Township made disbursements in excess of appropriations concerning the General Fund, Gasoline Tax Fund, Motor Vehicle License Tax Fund and Cemetery Fund in 2006.

Contrary to Ohio Rev. Code Section 5705.39, the Township made appropriations in excess of the total estimated resources available for appropriation concerning the General Fund in 2006 and in 2007.

Contrary to Ohio Rev. Code Section 5705.10, the Township had negative fund balances in 2006 and 2007.

Bloom Township
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 13 – Compliance (Continued)

Contrary to Ohio Rev. Code Section 5705.41 (D), the Township did not properly certify disbursements in 2006 and 2007.

Caudill & Associates, CPA's

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Portsmouth, OH 45662

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Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Bloom Township
P.O. Box 613
South Webster, Ohio 45682

We have audited the financial statements of the government activities, each major fund, and the aggregate remaining fund information of Bloom Township, Scioto County, Ohio (the "Township") as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's financial statements and have issued our report thereon dated June 30, 2008 wherein we noted the Township prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. The results of our tests disclosed instances of significant internal control deficiencies that are required to be reported under *Government Auditing Standards*. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2007-001 and 2007-05.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the following deficiencies described in the accompanying schedule of findings and responses to be a material weaknesses in internal controls over financial reporting as items 2007-001 and 2007-05.

Bloom Township
Scioto County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Compliance and Other Matters

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 grant agreements, 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 four instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Responses as items 2007-001, 2007-002, 2007-003, and 2007-004.

We noted certain other matters that we reported to the Township's management in a separate letter dated June 30, 2008.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

Caudill & Associates, CPAs

Caudill & Associates, CPA's
June 30, 2008

**BLOOM TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency/Material Weakness/Noncompliance Citation – Negative Fund Balances

Ohio Rev. Code Section 5705.10, provides that all money paid into a fund must be used only for purposes for which the fund was established. As a result, negative fund balances indicate that money from one fund was used to cover the expenses of another fund. The Township had significant negative fund balances in various funds, as follows:

<u>Date</u>	<u>Fund</u>	<u>Balance</u>
December 31, 2006	General	\$ (8,452)
December 31, 2007	General	\$ (355)

We recommend that the Township monitor their fund balances to ensure that funds are used solely for their intended purpose and to prevent negative fund balances.

Township Response:

The Township will monitor resources and disbursements more closely.

FINDING NUMBER 2007-002

Noncompliance – Expenditures exceeding appropriations

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

In 2006, expenditures exceeded appropriations at both the fund level and the legal level of control in the General Fund, Gasoline Tax Fund, Motor Vehicle License Tax Fund and the Cemetery Fund.

The Clerk should deny payment requests exceeding appropriations. The Township Clerk may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Township Response:

The Township Clerk will make an effort to monitor budgetary activity more closely.

**BLOOM TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-003

Noncompliance– Prior Certification of Disbursements

Ohio Rev. Code, Section 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 subdivision’s fiscal officer. 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 Board of 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 receipt of such certificate.

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

In 2006 and 2007, twenty-four percent and forty-eight percent, respectively, of expenditures were not certified prior to the purchase commitment being made. By not certifying funds prior to a purchase commitment, this may cause the Township to obligate money it does not have.

We recommend the Township certify funds prior to an obligation being incurred.

Township Response:

The Township Clerk will make an effort to monitor expenditures more closely and attempt to certify disbursements prior to the purchase commitment being made.

**BLOOM TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-004

Noncompliance Citation – Appropriations exceeding estimated resources

The Ohio Revised Code Section 5705.39 requires in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

In Fiscal Year 2006, the General Fund was appropriated in excess of its estimated resources by \$6,444. In 2007, the General Fund was appropriated in excess of \$4,293.

Township Response:

The Township will appropriately follow the auditor's recommendation and monitor appropriations and estimated resources.

FINDING NUMBER 2007-005

Significant Deficiency/Material Weakness – Budgeted Amounts Not Properly Posted to Ledgers

Estimated receipts and appropriations posted to the Township's receipt and expenditure ledgers varied significantly from the estimated receipts per the Amended Official Certificates of Estimated Resources and the Township's appropriations resolutions in several funds in 2006.

Estimated receipts as approved on the Amended Official Certificates of Estimated Resources and appropriations per the appropriations resolutions should be accurately reflected in the Township's receipt and expenditure ledgers to allow for proper monitoring of budget versus actual activity.

We recommend the Township ensure that approved estimated receipts and appropriations are accurately posted to the receipts and expenditures ledgers and that Board of Trustees monitor budget versus actual activity for any unusual or unexpected variances.

Township Response:

The Township will monitor more closely the budgeted amounts posted to ledgers.

**BLOOM TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2005-001	ORC Section 507.09 , Overpayment of Clerk	No	Payment Plan is in progress
2005-002	ORC Section 505.60 and 505.601, Payment of Insurance Premiums	No	Partially Corrected, Repeated as management letter comment.
2005-003	ORC Section 5705.10, Negative Fund Balance	No	Reissued, see finding 2007-001
2005-004	ORC Section 5705.36, Failure to obtain certificate of estimated resources	Yes	N/A
2005-005	ORC Section 5705.38(A), Failure to approve appropriations	Yes	N/A
2005-006	ORC Section 5705.41(B), Expenditures exceeding appropriations	No	Reissued, see finding 2007-002
2005-007	ORC Section 5705.41 (D), Prior Certification of Disbursements	No	Reissued, see finding 2007-03



Mary Taylor, CPA
Auditor of State

BLOOM TOWNSHIP

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 16, 2008**