

**ROME TOWNSHIP
ASHTABULA COUNTY
Regular Audit
December 31, 2007 and 2006**

Perry & Associates
Certified Public Accountants, A.C



Mary Taylor, CPA

Auditor of State

Board of Trustees
Rome Township
P.O. Box 5057
Rome, Ohio 44085

We have reviewed the *Independent Accountants' Report* of Rome Township, Ashtabula County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 to 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Rome Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 19, 2008

This Page is Intentionally Left Blank.

**ROME TOWNSHIP
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006	4
Notes to the Financial Statements	5
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15

This Page is Intentionally Left Blank.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

December 3, 2008

Rome Township
Ashtabula County
3162 US Hwy 6
P.O. Box 5057
Rome, OH 44085

To the Board of Trustees:

We have audited the accompanying financial statements of **Rome Township, Ashtabula County, Ohio**, (the Township) as of and for the years ended December 31, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present it's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 and 2006 or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Rome Township, Ashtabula County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**ROME TOWNSHIP
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
Cash Receipts:						
Local Taxes	\$ 44,340	\$ 167,216	\$ 23,000	\$ -	\$ -	\$ 234,556
Intergovernmental	83,933	203,852	-	-	-	287,785
Charges for Services	-	18,000	-	-	-	18,000
Licenses, Permits, and Fees	785	2,075	-	-	-	2,860
Earnings on Investments	12,346	2,938	-	-	30	15,314
Miscellaneous	380	5,830	-	-	-	6,210
Total Cash Receipts	<u>141,784</u>	<u>399,911</u>	<u>23,000</u>	<u>-</u>	<u>30</u>	<u>564,725</u>
Cash Disbursements:						
Current:						
General Government	46,873	-	-	-	-	46,873
Public Safety	-	83,360	-	-	-	83,360
Public Works	5,504	188,826	-	-	-	194,330
Health	15,338	1,143	-	-	-	16,481
Conservation/Recreation	2,708	-	-	-	-	2,708
Capital Outlay	1,600	75,575	-	-	-	77,175
Debt Service:						
Redemption of Principal	-	-	19,429	-	-	19,429
Interest and Fiscal Charges	-	-	3,571	-	-	3,571
Total Cash Disbursements	<u>72,023</u>	<u>348,904</u>	<u>23,000</u>	<u>-</u>	<u>-</u>	<u>443,927</u>
Total Cash Receipts Over/(Under) Disbursements	<u>69,761</u>	<u>51,007</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>120,798</u>
Fund Cash Balances, January 1	<u>98,205</u>	<u>151,291</u>	<u>-</u>	<u>1,164</u>	<u>2,376</u>	<u>253,036</u>
Fund Cash Balances, December 31	<u>\$ 167,966</u>	<u>\$ 202,298</u>	<u>\$ -</u>	<u>\$ 1,164</u>	<u>\$ 2,406</u>	<u>\$ 373,834</u>

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

**ROME TOWNSHIP
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
Cash Receipts:						
Local Taxes	\$ 40,775	\$ 143,085	\$ 23,000	\$ -	\$ -	\$ 206,860
Intergovernmental	42,551	134,217	-	170,676	-	347,444
Charges for Services	-	18,000	-	-	-	18,000
Licenses, Permits, and Fees	558	2,500	-	-	-	3,058
Earnings on Investments	6,271	1,939	-	-	30	8,240
Miscellaneous	12,680	8,830	-	-	-	21,510
Total Cash Receipts	<u>102,835</u>	<u>308,571</u>	<u>23,000</u>	<u>170,676</u>	<u>30</u>	<u>605,112</u>
Cash Disbursements:						
Current:						
General Government	65,100	-	-	-	-	65,100
Public Safety	-	91,892	-	-	-	91,892
Public Works	5,770	156,109	-	-	-	161,879
Health	14,591	2,249	-	-	-	16,840
Conservation/Recreation	5,010	-	-	-	-	5,010
Capital Outlay	990	70,561	-	170,676	-	242,227
Debt Service:						
Redemption of Principal	-	-	18,637	-	-	18,637
Interest and Fiscal Charges	-	-	4,363	-	-	4,363
Total Cash Disbursements	<u>91,461</u>	<u>320,811</u>	<u>23,000</u>	<u>170,676</u>	<u>-</u>	<u>605,948</u>
Total Cash Receipts Over/(Under) Disbursements	<u>11,374</u>	<u>(12,240)</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>(836)</u>
Fund Cash Balances, January 1 (Restated - See Note 8)	<u>86,831</u>	<u>163,531</u>	<u>-</u>	<u>1,164</u>	<u>2,346</u>	<u>253,872</u>
Fund Cash Balances, December 31	<u>\$ 98,205</u>	<u>\$ 151,291</u>	<u>\$ -</u>	<u>\$ 1,164</u>	<u>\$ 2,376</u>	<u>\$ 253,036</u>

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

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rome Township, Ashtabula County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees and publicly elected Clerk. The Township provides general government services, road and bridge maintenance, and cemetery maintenance. The Township contracts with the Rome Township Volunteer Fire Department for fire protection. Police protection is provided by the Ashtabula County Sheriff's Department.

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.

Change in Basis of Accounting

Last audit period the Township implemented the cash basis of accounting. The fund financial statements presented each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. This audit period the Village has elected to report fund financial statements by fund type using the regulatory basis of accounting as prescribed by the Auditor of State's office.

C. Cash and Cash Equivalents

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer and is classified as a cash equivalent. The investment in the money market is valued at cost.

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Township uses fund accounting to segregate cash that is 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 that are restricted to expenditure for specific purposes. The Township has the following significant Special Revenue Funds:

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

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

Special Levy Fund – This fund receives semi-annual property tax settlements for the purpose of providing additional fire protection for both residents of the Township and nonresidents.

3. Capital Projects Funds

These funds account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Projects fund:

Public Works Commission Fund - This fund receives grant funding from the state for various Township capital projects.

4. Debt Services Funds

The debt fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service fund:

General Note Retirement Fund – This fund receives property tax levy money to satisfy the issued note obligations of the Township to purchase equipment.

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

5. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant Permanent Fund

Cemetery Bequest Fund – This fund utilizes interest revenue for the general maintenance and upkeep of the Township's cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

G. 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

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

	2007	2006
Demand Deposits	\$ 364,884	\$ 244,526
STAR Ohio Account	8,950	8,510
Total	\$ 373,834	\$ 253,036

Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 74,560	\$ 141,784	\$ 67,224
Special Revenue	405,775	399,911	(5,864)
Debt Service	23,000	23,000	-
Permanent Fund	39	30	(9)
Total	<u>\$ 503,374</u>	<u>\$ 564,725</u>	<u>\$ 61,351</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 169,097	\$ 72,023	\$ 97,074
Special Revenue	409,880	348,904	60,976
Debt Service	23,000	23,000	-
Total	<u>\$ 601,977</u>	<u>\$ 443,927</u>	<u>\$ 158,050</u>

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 86,966	\$ 102,835	\$ 15,869
Special Revenue	366,215	308,571	(57,644)
Debt Service	23,000	23,000	-
Capital Projects	193,060	170,676	(22,384)
Permanent Fund	39	30	(9)
Total	<u>\$ 669,280</u>	<u>\$ 605,112</u>	<u>\$ (64,168)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 149,375	\$ 91,461	\$ 57,914
Special Revenue	399,043	320,811	78,232
Debt Service	23,000	23,000	-
Capital Projects	193,060	170,676	22,384
Total	<u>\$ 764,478</u>	<u>\$ 605,948</u>	<u>\$ 158,530</u>

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. DEBT

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Promissory Note	\$ 61,934	4.375%

Promissory Note – the township entered into a Promissory note in 2005 in the amount of \$100,000 to purchase a fire truck for the Volunteer Fire Department. Annual payments of \$22,712 were scheduled for 5 years. The Township has been making extra principle payments of \$288 for 2006 and 2007 by making annual payments of \$23,000. The Township is not obligated to continue this. The note is backed by the full faith and credit of the Township.

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

Year ending December 31:	Bond Anticipation Note
2008	\$ 22,712
2009	22,712
2010	21,977
Total	\$ 67,401

5. PROPERTY TAX

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

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

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

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

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-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 2007 and 2006, members of PERS contributed 9.5% (2007) and 9% (2006) of their gross salaries. The Township contributed an amount equal to 13.85% (2007) and 13.7% (2006) of participants' gross salaries. The Township has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,695,000 for each 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 PEP's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

7. RISK MANAGEMENT (Continued)

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006.

	2007	2006
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	\$29,852,866	\$29,921,614

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

7. RISK MANAGEMENT (Continued)

Financial Position (Continued)

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$5,853. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2006	\$ 6,227
2007	\$ 8,506

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. PRIOR PERIOD FUND BALANCE ADJUSTMENT

The Township made fund balance adjustments in 2006 to adjust for voided warrants that were reflected in the balance as of December 31, 2005.

	General Fund	Spec. Rev. Fund
Balance as of December 31, 2005	\$ 85,831	\$ 161,037
Adjustments for 2005 voided warrants	1,000	2,494
Adjusted January 1, 2006 Fund Balance	\$ 86,831	\$ 163,531

**ROME TOWNSHIP
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

9. CONTINGENT LIABILITIES

As confirmed by the Township's legal counsel, Rome Township is currently involved in litigation. Alleged wrongful termination charges were filed against the Township by a former road employee. The Township denies any wrongdoing, and any result would not be material. A lawsuit filed during the audit period was resolved subsequently in 2008. The claim was dismissed with prejudice without any admission of liability on the part of the Township and with no monetary responsibility on the part of the Township.

10. JOINTLY GOVERNED ORGANIZATION

South Central Ambulance District:

The constitution and laws of the State of Ohio establish the rights and privileges of the South Central Ambulance District, Ashtabula County, (the District) as a body corporate and politic. Eleven board members govern the District. Each political subdivision within the District appoints one member. Those subdivisions are Colebrook, Dorset, Hartsgrove, Lenox, Morgan, New Lyme, Orwell, and Rome Townships in addition to Orwell and Roaming Shores Villages. The District provides rescue services within the District and by contract to areas outside the District.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

December 3, 2008

Rome Township
Ashtabula County
3162 US Hwy 6
P.O. Box 5057
Rome, OH 44085

To the Board of Trustees:

We have audited the financial statements of **Rome Township, Ashtabula County, Ohio**, (the Township) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated December 3, 2008, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather 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 the Comptroller General of the United States' *Government Auditing Standards*.

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 audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined 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 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 the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

ROME TOWNSHIP
ASHTABULA 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
DECEMBER 31, 2008