

Rome Township
Lawrence County, Ohio

Regular Audit

For the years ended December 31, 2008 and 2007
Fiscal Years Audited Under GAGAS: 2008



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Rome Township
21324 Township Road 243
Proctorville, Ohio 45669

We have reviewed the *Independent Auditor's Report* of Rome Township, Lawrence County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2007 through December 31, 2008. 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 Auditor's 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 Auditor's 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 18, 2009

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Rome Township
Lawrence County, Ohio
For the Years Ended December 31, 2008 and 2007
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Independent Auditor's Report

Board of Trustees
Rome Township
Lawrence County
21324 Township Road 243
Proctorville, Ohio 45669

We have audited the accompanying financial statements of Rome Township, Lawrence County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007. 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 discussed 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township'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 GAAP presentation requirements. The auditor of State permits, but does not require Governments to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. 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.

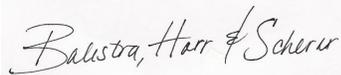
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years 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, Lawrence County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Rome Township
Lawrence County
Independent Auditors' Report

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 June 26, 2009, 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.



Balestra, Harr & Scherer, CPAs, Inc.

June 26, 2009

Rome Township, Lawrence County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Special Revenue Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 56,549	\$ 205,150	\$ 261,699
Intergovernmental	344,782	154,743	499,525
Licenses, Permits, and Fees	71,246	-	71,246
Earnings on Investments	6,406	1,021	7,427
Miscellaneous	1,098	-	1,098
	<u>480,081</u>	<u>360,914</u>	<u>840,995</u>
<i>Total Receipts</i>			
Disbursements			
Current:			
General Government	123,998	-	123,998
Public Safety	-	63,305	63,305
Public Works	-	217,936	217,936
Capital Outlay	-	343,004	343,004
Debt Service:	-	-	-
Redemption of Principal	14,848	9,350	24,198
Interest and Fiscal Charges	5,407	787	6,194
	<u>144,253</u>	<u>634,382</u>	<u>778,635</u>
<i>Total Disbursements</i>			
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>335,828</u>	<u>(273,468)</u>	<u>62,360</u>
Other Financing Sources			
Sale of Bonds	-	224,000	224,000
	<u>-</u>	<u>224,000</u>	<u>224,000</u>
<i>Total Other Financing Sources</i>			
<i>Net Change in Fund Balances</i>	335,828	(49,468)	286,360
<i>Fund Balances - Beginning of Year</i>	<u>155,892</u>	<u>473,388</u>	<u>629,280</u>
<i>Fund Balances - End of Year</i>	<u>\$ 491,720</u>	<u>\$ 423,920</u>	<u>\$ 915,640</u>

See accompanying notes to the basic financial statements.

Rome Township, Lawrence County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Special Revenue Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 48,489	\$ 206,120	\$ 254,609
Intergovernmental	18,863	139,534	158,397
Licenses, Permits, and Fees	69,249	-	69,249
Earnings on Investments	21,266	4,102	25,368
Miscellaneous	1,176	1,000	2,176
<i>Total Receipts</i>	<u>159,043</u>	<u>350,756</u>	<u>509,799</u>
Disbursements			
Current:			
General Government	123,069	-	123,069
Public Safety	-	52,105	52,105
Public Works	-	276,970	276,970
Capital Outlay	-	3,887	3,887
Debt Service:			
Redemption of Principal	14,203	8,986	23,189
Interest and Fiscal Charges	6,054	1,160	7,214
<i>Total Disbursements</i>	<u>143,326</u>	<u>343,108</u>	<u>486,434</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>15,717</u>	<u>7,648</u>	<u>23,365</u>
<i>Net Change in Fund Balances</i>	15,717	7,648	23,365
<i>Fund Balances - Beginning of Year</i>	<u>140,175</u>	<u>465,740</u>	<u>605,915</u>
<i>Fund Balances - End of Year</i>	<u>\$ 155,892</u>	<u>\$ 473,388</u>	<u>\$ 629,280</u>

See accompanying notes to the basic financial statements.

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Rome Township, Lawrence County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance and fire protection.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Cash Deposit

The Township has one demand deposit.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for the proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire Fund – This fund receives tax money for fire protections services.

Gasoline Tax Fund – This fund receives gasoline tax money to pay constructing, maintaining, and repairing township roads.

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

Permissive Motor Vehicle License Tax Fund – This fund receives permissive motor vehicle licenses tax money to pay for constructing, maintaining, and repairing Township roads.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The Township records disbursements for acquisition of property, plant and equipments when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving unemployment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

2. Equity in Pooled Cash and Investments

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

	2008	2007
Demand deposits	\$ 915,640	\$ 629,280

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and December 31, 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 180,295	\$ 480,081	\$ 299,786
Special Revenue	361,273	584,914	223,641
Total	\$ 541,568	\$ 1,064,995	\$ 523,427

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 297,000	\$ 144,253	\$ 152,747
Special Revenue	928,799	634,382	294,417
Total	\$ 1,225,799	\$ 778,635	\$ 447,164

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 155,538	\$ 159,043	\$ 3,505
Special Revenue	352,923	350,756	(2,167)
Total	\$ 508,461	\$ 509,799	\$ 1,338

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 284,411	\$ 143,326	\$ 141,085
Special Revenue	818,661	343,108	475,553
Total	\$ 1,103,072	\$ 486,434	\$ 616,638

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If property owner elects to pay semiannually, the first half is due December 31. The second half payment is due to 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

5. Debt

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Building Bonds	\$ 104,366	4.54%
Road Equipment Bonds	9,728	4.05%
Fire Truck Bonds	224,000	4.50%
Total	<u>\$ 338,094</u>	

The building bonds were issued to finance the purchase of property within the Township. The bonds were collateralized by the taxing authority.

The road equipment bonds were issued to finance the purchase of a road grader to be used for Township roads. The bonds were collateralized by the taxing authority.

The Fire Truck Bonds were issued to finance the purchase of a new fire truck to be used for fire protection within the Township.

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

Year Ending December 31:	<u>Building Bonds</u>	<u>Equipment Bonds</u>	<u>Fire Truck Bond</u>	<u>Total</u>
2009	\$ 20,260	\$ 10,122	\$ 52,201	\$ 82,583
2010	20,260	-	51,025	71,285
2011	20,260	-	51,025	71,285
2012	20,260	-	51,025	71,285
2013	20,260	-	51,025	71,285
2014	20,261	-	-	20,261
Total	<u>\$ 121,561</u>	<u>\$ 10,122</u>	<u>\$ 256,301</u>	<u>\$ 387,984</u>

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

6. Retirement Systems

The Townships' employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5% respectively, of their gross salaries and the Township contributed an amount equaling 14% and 13.77%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

7. Risk Management

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, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 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 OTARMA'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 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

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.

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

7. Risk Management (Continued)

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined member' total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2008 was \$1,901,127.

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.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with the 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)
Retained Earnings	\$ 29,852,866	\$ 29,921,614

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The Casualty Coverage 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 \$5,364. 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. The Township's contributions to OTARMA for the past three years are as follows:

Contributions to OTARMA	
2006	\$ 6,160
2007	\$ 6,121
2008	\$ 6,387

**ROME TOWNSHIP
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 AND 2007
(Continued)**

7. Risk Management (Continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they give 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. Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor 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.

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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
Rome Township
Lawrence County
21324 Township Road 243
Proctorville, Ohio 45669

We have audited the financial statements of Rome Township, Lawrence County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 26, 2009 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 the accounting basis described in Note 1 such that there is more than a remote likelihood that the Township's internal controls 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.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain internal control matters that we reported to the Township's management in a separate letter dated June 26, 2009.

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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 26, 2009.

We intended this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
June 26, 2009

**ROME TOWNSHIP
LAWRENCE COUNTY
DECEMBER 31, 2008 AND 2007
SCHEDULE OF FINDINGS**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Material Noncompliance

Ohio Rev. Code, Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate – If the fiscal officer can certify that both at the time That the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment or the amount due. The Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 maybe paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

- B. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any on particular line item appropriation.
- C. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Every effort should be made by the Township to properly utilize the encumbrance method of accounting by certifying funds prior to making a purchase obligation. Failure to properly certify funds could result in overspending and negative fund balances.

The Township should certify purchases to which 5705.41 (D) applies. The most convenient method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Client Response:

We did not receive a response from officials’ to this finding.

**ROME TOWNSHIP
LAWRENCE COUNTY
DECEMBER 31, 2008 AND 2007**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	ORC Section 5705.41D properly encumbering funds	No	Reissued as 2008-001



Mary Taylor, CPA
Auditor of State

ROME TOWNSHIP
LAWRENCE 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 1, 2009