

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY**

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA

Auditor of State

Board of Trustees
Rootstown Township
4268 Sandy Lake Road
Ravenna, Ohio 44266

We have reviewed the *Independent Accountants' Report* of Rootstown Township, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2008 through December 31, 2009. 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. Rootstown 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

October 8, 2010

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**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Trustees
Rootstown Township
Portage County
4268 Sandy Lake Road
Ravenna, Ohio 44266

We have audited the accompanying financial statements of the governmental activities of the Rootstown Township, Portage County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1 to the financial statements, 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.

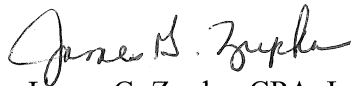
Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting its larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships 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, 2009 and 2008 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, 2009 and 2008, 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 Rootstown Township, Portage County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 16, 2010, on our consideration of Rootstown Township, Ohio'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. 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

July 21, 2010

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Special Revenue	Debt Service	Permanent Fund	Totals (Memorandum Only)
Cash Receipts					
Local Taxes	\$ 255,602	\$1,081,087	\$ 61,289	\$ 0	\$1,397,978
Charges for Services	0	68,417	0	0	68,417
Licenses, Permits, and Fees	0	7,045	0	0	7,045
Special Assessments	0	4,068	0	0	4,068
Intergovernmental	214,263	133,414	183	0	347,860
Earnings on Investments	2,098	161	0	42	2,301
Other Revenue	6,678	25,765	0	0	32,443
Total Cash Receipts	<u>478,641</u>	<u>1,319,957</u>	<u>61,472</u>	<u>42</u>	<u>1,860,112</u>
Cash Disbursements					
Current:					
General Government	322,009	9,633	0	0	331,642
Public Safety	0	750,677	0	0	750,677
Public Works	0	447,331	0	0	447,331
Health	0	40,724	0	0	40,724
Recreation	18,691	0	0	0	18,691
Capital Outlay	0	19,178	0	0	19,178
Debt Service:					
Redemption of Principal	0	0	40,000	0	40,000
Interest and Other Fiscal Charges	8,564	0	23,416	0	31,980
Total Cash Disbursements	<u>349,264</u>	<u>1,267,543</u>	<u>63,416</u>	<u>0</u>	<u>1,680,223</u>
Total Receipts Over (Under) Disbursements	<u>129,377</u>	<u>52,414</u>	<u>(1,944)</u>	<u>42</u>	<u>179,889</u>
Other Financing Receipts/(Disbursements)					
Sale of Fixed Assets	0	228	0	0	228
Advances In	69,500	69,500	0	0	139,000
Advances Out	(69,500)	(69,500)	0	0	(139,000)
Total Other Financing Receipts/ (Disbursements)	<u>0</u>	<u>228</u>	<u>0</u>	<u>0</u>	<u>228</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	129,377	52,642	(1,944)	42	180,117
Fund Cash Balances - January 1, 2009	<u>620,047</u>	<u>574,463</u>	<u>1,944</u>	<u>14,915</u>	<u>1,211,369</u>
Fund Cash Balances - December 31, 2009	<u>\$ 749,424</u>	<u>\$ 627,105</u>	<u>\$ 0</u>	<u>\$ 14,957</u>	<u>\$1,391,486</u>

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

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Special Revenue	Debt Service	Permanent Fund	Totals (Memorandum Only)
<u>Cash Receipts</u>					
Local Taxes	\$ 248,326	\$1,077,051	\$ 66,514	\$ 0	\$1,391,891
Charges for Services	0	61,914	0	0	61,914
Licenses, Permits, and Fees	54,532	8,538	0	0	63,070
Special Assessments	0	4,205	0	0	4,205
Intergovernmental	110,781	131,797	0	0	242,578
Earnings on Investments	17,487	2,929	0	385	20,801
Other Revenue	9,553	538	0	0	10,091
Total Cash Receipts	440,679	1,286,972	66,514	385	1,794,550
<u>Cash Disbursements</u>					
Current:					
General Government	567,150	9,683	0	0	576,833
Public Safety	0	723,256	0	0	723,256
Public Works	0	569,702	0	0	569,702
Health	0	18,496	0	0	18,496
Recreation	19,912	0	0	0	19,912
Capital Outlay	0	43,041	0	0	43,041
Debt Service:					
Redemption of Principal	0	0	40,000	0	40,000
Interest and Other Fiscal Charges	8,546	0	24,634	0	33,180
Total Cash Disbursements	595,608	1,364,178	64,634	0	2,024,420
Total Receipts Over (Under) Disbursements	(154,929)	(77,206)	1,880	385	(229,870)
<u>Other Financing Receipts/(Disbursements)</u>					
Sale of Fixed Assets	0	7,073	0	0	7,073
Advances In	0	31,586	0	0	31,586
Advances Out	(31,586)	0	0	0	(31,586)
Total Other Financing Receipts/ (Disbursements)	(31,586)	38,659	0	0	7,073
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(186,515)	(38,547)	1,880	385	(222,797)
Fund Cash Balances - January 1, 2008	806,562	613,010	64	14,530	1,434,166
Fund Cash Balances - December 31, 2008	\$ 620,047	\$ 574,463	\$ 1,944	\$ 14,915	\$1,211,369

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

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Description of the Entity**

Rootstown Township, Portage County, (the Township) as a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services.

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

B. **Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. **Cash and Investments**

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 STAROhio (the State Treasurer's Investment Pool) is recorded at amounts reported by the State Treasurer.

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:

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Fund Accounting** (Continued)

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.

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

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

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

EMS/Fire Levy Funds - these funds receive property tax money for the operation of the Fire and EMS departments.

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

General Bond (Note) Retirement Fund - This fund received property tax money for the payment of various debt issues, including the payment of a Fire Station bond.

Permanent Fund - This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant trust fund:

Cemetery Bequest Fund - This fund accounts for a bequest left for the care of the cemetery. Principal must be kept intact, but the interest income may be expended.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

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.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 2: EQUITY IN POOLED CASH AND INVESTMENTS

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

	2009	2008
Demand Deposits	\$ 556,224	\$ 378,409
STAR Ohio	835,262	832,960
Total Deposits and Investments	\$ 1,391,486	\$ 1,211,369

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

NOTE 3: BUDGETARY ACTIVITY

Budgetary activity for the years ending 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 426,369	\$ 478,641	\$ 52,272
Special Revenue	1,392,315	1,320,185	(72,130)
Debt Service	72,963	61,472	(11,491)
Permanent	400	42	(358)
Total	\$ 1,892,047	\$ 1,860,340	\$ (31,707)

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$ 821,806	\$ 349,264	\$ 472,542
Special Revenue	1,516,532	1,267,543	248,989
Debt Service	71,980	63,416	8,564
Permanent	500	0	500
Total	\$ 2,410,818	\$ 1,680,223	\$ 730,595

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 3: **BUDGETARY ACTIVITY** (Continued)

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 461,205	\$ 440,679	\$ (20,526)
Special Revenue	1,369,302	1,294,045	(75,257)
Debt Service	74,743	66,514	(8,229)
Capital Projects	1	0	(1)
Permanent	750	385	(365)
Total	<u>\$ 1,906,001</u>	<u>\$ 1,801,623</u>	<u>\$ (104,378)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 938,806	\$ 595,608	\$ 343,198
Special Revenue	1,784,969	1,364,178	420,791
Debt Service	71,269	64,634	6,635
Permanent	4,000	0	4,000
Total	<u>\$ 2,799,044</u>	<u>\$ 2,024,420</u>	<u>\$ 774,624</u>

NOTE 4: **PROPERTY TAX**

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property with 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.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 5: **DEBT**

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Bonds	\$ 700,000	4.50%
Total	<u>\$ 700,000</u>	

In 2008 and 2009 the Township paid a portion of the debt interest out of the general fund due to insufficient revenue received in the Debt Service Fund from income taxes.

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

<u>Year Ending December 31:</u>	<u>Fire Station Bond</u>
2010	\$ 70,700
2011	74,340
2012	72,720
2013	71,010
2014	74,255
2015-2019	361,065
2020-2022	219,035
Total	<u>\$ 943,125</u>

NOTE 6: **RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other Township employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2009 and 2008, members of OP&F contributed 10 percent of their wages. The township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members contributed 9.0 percent of their gross salaries. The Township contributed an amount equal to 14.00 percent of participants' gross salaries for 2009 and 2008. The Township has paid all contributions required for the audit period by January, 2010.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 7: RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses and injuries to employers. The Township insures against injuries to employees through the Ohio Bureau of Workers' 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 and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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, 2009 and 2008:

<u>Casualty Coverage</u>	<u>2009</u>	<u>2008</u>
Assets	\$ 38,982,088	\$ 40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Retained Earnings	<u>\$ 26,101,322</u>	<u>\$ 27,755,922</u>

At December 31, 2009 and 2008, respectively, liabilities above include approximately \$12.5 and \$12.2 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, 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 \$35,000.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 7: **RISK MANAGEMENT** (Continued)

Financial Position (Continued)

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

2008	\$	31,084
2009	\$	26,564

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.

NOTE 8: **GASB 14 Reporting Entity**

The Rootstown Fire Company (the Company) provides services to the Township, including training for Fire Department personnel and maintenance to the Fire Department building in exchange for quarterly payments from the Township. The Company is a nonprofit corporation established in 1938 and is a related organization to the Township. Their financial information is not included in the Township's financial statements.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio 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**

To the Board of Trustees
Rootstown Township

We have audited the financial statements of the governmental activities of Rootstown Township, Portage County, Ohio, as of and for the years ended December 31, 2009 and 2008. 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 *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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

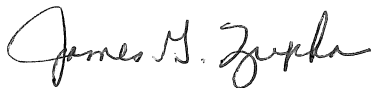
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rootstown Township, Ohio'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as Item 2009-001.

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 July 21, 2010.

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

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



James G. Zupka, CPA, Inc.
Certified Public Accountants

July 21, 2010

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number 2009-001: Non-Compliance - Timely Deposits

Ohio Revised Code Section 9.38 states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it.

Per our testing of cash receipts and inquiry with the fiscal officer, receipts are not documented when received by the fiscal officer. In addition, the Township does not have a formal policy permitting officials to hold onto the money for up to three business days prior to deposit. Therefore, we cannot determine if all receipts are deposited in a timely manner.

Recommendation

We recommend that the Township deposit receipts in a timely manner and document such to maintain compliance with Ohio Revised Code Section 9.38.

Auditee Response

The Township will comply with Section 9.38 of the Ohio Revised Code in the future.

**ROOTSTOWN TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Ohio Revised Code Section 9.38 regarding deposits of public money.	No	Not corrected. Reissued as Finding Number 2009-001.

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Mary Taylor, CPA
Auditor of State

ROOTSTOWN TOWNSHIP

PORTAGE 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
NOVEMBER 4, 2010**