

**VILLAGE OF ROME
ADAMS COUNTY
Regular Audit
For the Years Ended December 31, 2011 and 2010**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Village Council
Village of Rome
P.O. Box 335
Stout, Ohio 45684

We have reviewed the *Independent Accountants' Report* of the Village of Rome, Adams County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 31, 2012

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VILLAGE OF ROME
ADAMS COUNTY

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Perry & Associates
Certified Public Accountants, A.C.

www.perrycpas.com

MARIETTA

428 Second Street
Marietta, OH 45750
(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG

1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE

121 E. Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

INDEPENDENT ACCOUNTANTS' REPORT

September 17, 2012

Village of Rome
Adams County
P.O. Box 335
Stout, Ohio 45684

To the Village Council:

We have audited the accompanying financial statements of the **Village of Rome**, Adams County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village'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.

The accompanying financial statements present receipts and disbursements by fund type totals only. Ohio Administrative Code Section 117-2-02(A) requires Villages to classify receipt and disbursement transactions.

As described more fully in Note 1, the Village 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 Village's larger (i.e. major) funds separately. While the Village 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 Villages to reformat their statements. The Village 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, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, except for the omission of receipt and disbursement classifications, referred to in the fourth preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances for the Village of Rome, Adams County, as of December 31, 2011 and 2010, and its combined unclassified cash receipts and combined unclassified cash disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 1F, during 2011 the Village of Rome, Adams County, adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2012, on our consideration of the Village'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.

**VILLAGE OF ROME
ADAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Cash Receipts	\$ 8,308	\$ 3,997	\$ 12,305
Total Cash Receipts	<u>8,308</u>	<u>3,997</u>	<u>12,305</u>
Cash Disbursements:			
Cash Disbursements	<u>6,511</u>	<u>125</u>	<u>6,636</u>
Total Cash Disbursements	<u>6,511</u>	<u>125</u>	<u>6,636</u>
Net Change in Fund Cash Balances	<u>1,797</u>	<u>3,872</u>	<u>5,669</u>
Fund Cash Balances, January 1	<u>8,922</u>	<u>26,748</u>	<u>35,670</u>
Restricted	-	30,620	30,620
Unassigned	<u>10,719</u>	<u>-</u>	<u>10,719</u>
Fund Cash Balances, December 31	<u><u>\$ 10,719</u></u>	<u><u>\$ 30,620</u></u>	<u><u>\$ 41,339</u></u>

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

**VILLAGE OF ROME
ADAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Cash Receipts	\$ 7,385	\$ 4,750	\$ 12,135
Total Cash Receipts	<u>7,385</u>	<u>4,750</u>	<u>12,135</u>
Cash Disbursements:			
Cash Disbursements	<u>8,483</u>	<u>3,158</u>	<u>11,641</u>
Total Cash Disbursements	<u>8,483</u>	<u>3,158</u>	<u>11,641</u>
Net Change in Fund Cash Balances	<u>(1,098)</u>	<u>1,592</u>	<u>494</u>
Fund Cash Balances, January 1	<u>10,020</u>	<u>25,156</u>	<u>35,176</u>
Fund Cash Balances, December 31	<u><u>\$ 8,922</u></u>	<u><u>\$ 26,748</u></u>	<u><u>\$ 35,670</u></u>

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

**VILLAGE OF ROME
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010**

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 Village of Rome, Adams County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services including street lights, road maintenance, and park maintenance.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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. Deposits

The Village deposits all available funds in a non-interest earning checking account at a local commercial bank. All deposits are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village 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 proceeds from specific sources (other than from private purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF ROME
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010
(Continued)**

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 fund, function or object level of control, and appropriations may not exceed estimated resources. Village Council 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 Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and reappropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF ROME
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED DEPOSITS

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

	<u>2011</u>	<u>2010</u>
Demand Deposits	<u>\$41,339</u>	<u>\$35,670</u>

Deposits: Deposits are fully insured by the Federal Deposit Insurance Corporation.

**VILLAGE OF ROME
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 7,519	\$ 8,308	\$ (789)
Special Revenue	3,200	3,997	(797)
Total	\$ 10,719	\$ 12,305	\$ (1,586)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 11,555	\$ 6,511	\$ 5,044
Special Revenue	4,686	125	4,561
Total	\$ 16,241	\$ 6,636	\$ 9,605

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 7,570	\$ 7,385	\$ 185
Special Revenue	2,700	4,750	(2,050)
Total	\$ 10,270	\$ 12,135	\$ (1,865)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 19,250	\$ 8,483	\$ 10,767
Special Revenue	7,500	3,158	4,342
Total	\$ 26,750	\$ 11,641	\$ 15,109

Contrary to Ohio law, expenditures were not properly encumbered for the years ending December 31, 2011 and December 31, 2010. Also contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Highway Fund in 2010. Also contrary to Ohio law, appropriations exceeded estimated resources in the General Fund in 2010 and in the Highway Fund in 2011. Also contrary to Ohio law, actual receipts were below estimated receipts in all funds in 2010 and in the Street Construction, Maintenance and Repair and State Highway Funds in 2010.

**VILLAGE OF ROME
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 and 2010
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Village Council. 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.

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

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 Village.

5. RETIREMENT SYSTEMS

The Village's elected officials contribute to Social Security. Contribution rates for 2011 were 4.2% for the elected official and 6.2% for the Village. Contribution rates for 2010 were 6.2% for both the elected official and the Village.

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omission

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MARIETTA

428 Second Street
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(740) 373-0056
(740) 373-2402 Fax

PARKERSBURG

1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203
(304) 428-5587 Fax

ST. CLAIRSVILLE

121 E. Main Street
St. Clairsville, OH 43950
(740) 695-1569
(740) 695-5775 Fax

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

September 17, 2012

Village of Rome
Adams County
P.O. Box 335
Stout, Ohio 45684

To the Village Council:

We have audited the financial statements of the **Village of Rome**, Adams County, Ohio (the Village) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated September 17, 2012, which was qualified since the Village did not classify receipts and disbursements in the financial statements and wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and has adopted Governmental Accounting Standards Board Statement No. 54. 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 Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 Village's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 and 2011-002 as described in the accompanying schedule of audit findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village'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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2011-001 and 2011-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 17, 2012.

We intend this report solely for the information and use of management, Village Council, and others within the Village. We intend it for no one other than these specified parties.

Respectfully Submitted,

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

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF ROME
ADAMS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001

Noncompliance/Material Weakness

Ohio Admin Code 117-2-02 (A) requires that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required.

Ohio Admin Code 117-2-02 (C) provides that:

- (1) All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.
- (2) Purchase orders should be used to approve purchase commitments and to encumber funds against the applicable appropriation account(s), as required by section 5705.41(D) of the Revised Code. Purchase orders are not effective unless the fiscal officer's certificate is attached.
- (3) Vouchers may be used as a written order authorizing the drawing of a check in payment of a lawful obligation of the public office. Each voucher shall contain the date, purchase order number, the account code, amount, approval, and any other required information. The local office should also attach the supporting documentation to the voucher, such as vendor invoices.

Ohio Admin Code 117-2-02 (D) provides that all local public offices may maintain accounting records in a manual or computerized format. Such records should include:

- (1) Cash journal, which typically contains the following information: The amount, date, receipts number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- (2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
- (3) Appropriation ledger, which may assemble and classify disbursements or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution,. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations and any other information required may be entered in the appropriate columns.
- (4) In addition, all local public offices should maintain payroll records including a payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee, and the fund and account charged for the payments.

**VILLAGE OF ROME
ADAMS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001 (Continued)

The Village did not maintain the accounting records in such manner to enable the officials to classify and report as prescribed. We found the following deficiencies in the accounting records:

- The Village maintained a cash journal; however the journal did not total to the year to date totals entered, and did not include any account numbers or purchase order numbers.
- The Village did not maintain a receipts ledger and an appropriation ledger that classifies receipts and disbursements by accounts. The Village maintained ledger sheets which partially classified transactions by type; however these ledger sheets did not include any budgetary information for use in monitoring budget and actual figures, and did not include any encumbrances.
- The Village did not maintain a payroll ledger.
- The Village Clerk-Treasurer did not certify purchase orders and did not record the related encumbrances in an appropriation ledger.
- The Village did not use vouchers.
- Amounts reported in the annual financial report did not always agree with the official budgetary documents and amounts recorded in the ledgers. Failure to properly maintain accounting records resulted in inaccurate amounts being reported by the Village on their annual financial report. Also, not having complete and accurate accounting records, including budgetary information, increases the risk of spending more than is available. Officials need to have complete and accurate accounting records in order to make informed management decisions.

As a result, amounts reported in the annual financial report combined and combining statements prepared by the Clerk-Treasurer did not agree with the actual cash journal receipts and disbursements. The Village contracted with an independent public accountant to prepare accurate financial statements.

Council should require that the accounting records be maintained in the manner prescribed by the Ohio Administrative Code. The Clerk-Treasurer should assure the numbers in the accounting records are correctly totaled, and that the totals from the accounting system agree to the annual financial report. We also recommend that the officials assure that the amounts presented in the annual financial report agree with the accounting records and budgetary documents and agree to the ending balances reported.

Management's Response – We did not receive a response from officials to this finding

FINDING NUMBER 2011-002

Noncompliance/Material Weakness

Budgetary Controls

The budget is an instrument of public policy: A governing Village Council expresses its desires for using a government's limited resources through its appropriations. Ohio Rev. Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

**VILLAGE OF ROME
ADAMS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-002 (Continued)

In performing the audit we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Village making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.36 indicating actual receipts were below estimated receipts and the deficiency reduced available resources below appropriations.
- Violations of 5705.39 indicating appropriations cannot exceed estimated resources;
- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeded appropriations);
- Violations of 5705.41(D) relating to expenditures having prior certification of availability of funds.

In addition, The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Village Council and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system. This resulted in incorrect amounts posted to the accounting system and information available to Village Officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. We recommend the Village implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

The Village Council does not monitor for budgetary compliance. Although the Village Council approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure budgetary forms are properly completed, submitted to the County Budget Commission timely or that transfers are done in compliance with laws and regulations. The Village Council also has not assured that the accounting system is adequate to incorporate budgetary requirements.

The Village Council should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Village is complying with applicable sections. We recommend the Village establish a procedure that ensures budgetary forms are submitted to the County accurately and timely. This could include a checklist of forms and due dates. If the Village Council does not consider this necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Clerk-Treasurer prior to purchasing and unencumbered balances are tracked for each line item.

Management's Response – We did not receive a response from officials to this finding.

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Dave Yost • Auditor of State

VILLAGE OF ROME

ADAMS 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 13, 2012