



**RAVENNA TOWNSHIP
PORTAGE COUNTY
Regular Audit
For the Years Ended December 31, 2019 and 2018**

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Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

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Wheeling, WV 26003
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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Ravenna Township
6115 S. Spring St
Ravenna, OH 44266

We have reviewed the *Independent Auditor's Report* of Ravenna Township, Portage County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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. Ravenna Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2020

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RAVENNA TOWNSHIP
PORTAGE COUNTY

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INDEPENDENT AUDITOR'S REPORT

August 31, 2020

Ravenna Township
Portage County
6115 S. Spring Street
Ravenna, OH 44266

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Ravenna Township**, Portage County, (the Township) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Ravenna Township, Portage County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 357,429	\$ 1,099,329	\$ -	\$ 1,456,758
Charges for Services	-	264,331	-	264,331
Licenses, Permits and Fees	101,157	49,740	-	150,897
Intergovernmental	125,144	391,681	-	516,825
Special Assessments	6,592	4,059	-	10,651
Earnings on Investments	32,556	3,918	-	36,474
Miscellaneous	72,143	53,451	-	125,594
<i>Total Cash Receipts</i>	<u>695,021</u>	<u>1,866,509</u>	<u>-</u>	<u>2,561,530</u>
Cash Disbursements				
Current:				
General Government	318,317	-	-	318,317
Public Safety	-	1,009,154	-	1,009,154
Public Works	-	439,901	-	439,901
Health	129,393	62,171	-	191,564
Human Services	-	35,112	-	35,112
Capital Outlay	27,070	106,131	38,500	171,701
Debt Service:				
Principal Retirement	-	81,589	-	81,589
Interest and Fiscal Charges	-	5,997	-	5,997
<i>Total Cash Disbursements</i>	<u>474,780</u>	<u>1,740,055</u>	<u>38,500</u>	<u>2,253,335</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>220,241</u>	<u>126,454</u>	<u>(38,500)</u>	<u>308,195</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	552	-	552
Transfers In	-	105,000	50,000	155,000
Transfers Out	(155,000)	-	-	(155,000)
Advances In	47,043	58,903	-	105,946
Advances Out	(58,903)	(47,043)	-	(105,946)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(166,860)</u>	<u>117,412</u>	<u>50,000</u>	<u>552</u>
<i>Net Change in Fund Cash Balances</i>	53,381	243,866	11,500	308,747
<i>Fund Cash Balances, January 1</i>	<u>796,047</u>	<u>1,034,198</u>	<u>534,890</u>	<u>2,365,135</u>
Fund Cash Balances, December 31				
Restricted	-	882,428	546,390	1,428,818
Committed	-	395,636	-	395,636
Assigned	669,559	-	-	669,559
Unassigned	179,869	-	-	179,869
<i>Fund Cash Balances, December 31</i>	<u>\$ 849,428</u>	<u>\$ 1,278,064</u>	<u>\$ 546,390</u>	<u>\$ 2,673,882</u>

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Agency	Private Purpose Trust	Totals (Memorandum Only)
Operating Cash Receipts			
Earnings on Investments (trust funds only)	\$ -	\$ 162	\$ 162
<i>Total Operating Cash Receipts</i>	<u>-</u>	<u>162</u>	<u>162</u>
Operating Cash Disbursements			
Other	5,460	-	5,460
<i>Total Operating Cash Disbursements</i>	<u>5,460</u>	<u>-</u>	<u>5,460</u>
<i>Operating Income (Loss)</i>	<u>(5,460)</u>	<u>162</u>	<u>(5,298)</u>
Non-Operating Receipt			
Miscellaneous Receipts	11,168	-	11,168
<i>Total Non-Operating Receipts</i>	<u>11,168</u>	<u>-</u>	<u>11,168</u>
<i>Net Change in Fund Cash Balances</i>	5,708	162	5,870
<i>Fund Cash Balances, January 1</i>	<u>5,460</u>	<u>5,204</u>	<u>10,664</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 11,168</u>	<u>\$ 5,366</u>	<u>\$ 16,534</u>

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2019*

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Ravenna Township, Portage County, (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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the City of Ravenna, Ohio to provide dispatch services to the Township.

Public Entity Risk Pools

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund The Road and Bridge Fund receives property tax money for constructing, maintaining, and repairing Township road and bridges.

Gas Tax Fund The Gas Tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The Motor Vehicle License Tax Fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire District Fund The Fire District Fund receives property tax money to assist the residents of Ravenna Township with fire emergency and safety.

Ambulance and Emergency Fund The Ambulance and Emergency Fund receives EMS payments from people and insurance companies requesting ambulance service from the Township.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2019*

Note 2 – Summary of Significant Accounting Policies (Continued)

Ambulance and EMS Levy Fund The Ambulance and EMS Levy Fund receives property tax levy money to assist the residents of Ravenna Township with EMS and safety services.

Grandview Cemetery Fund The Grandview Cemetery Fund receives fees from sale of cemetery plots and related burial fees and is used to support the maintenance of the Grandview Memorial Cemetery.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Miscellaneous Capital Projects Fund The Township uses this fund to facilitate the capital projects expenditures. The proceeds are restricted for capital improvement.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund utilizes interest revenue eared for the \$5,000 principal balance established by the agreement for the upkeep and maintenance of the flagpole in front of the Portage County Courthouse.

Agency funds are purely custodial in nature and are used hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following agency fund.

Fire Loss Fund – The fund is used to account for insurance proceeds from resident's claims that have suffered a fire loss.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

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

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2019*

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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 Township 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 714,091	\$ 695,021	\$ (19,070)
Special Revenue	1,926,738	1,972,061	45,323
Capital Projects	50,000	50,000	-
Fiduciary	149	162	13
Total	\$ 2,690,978	\$ 2,717,244	\$ 26,266

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,280,512	\$ 645,340	\$ 635,172
Special Revenue	2,741,026	1,775,379	965,647
Capital Projects	500,000	38,500	461,500
Fiduciary	250	-	250
Total	\$ 4,521,788	\$ 2,459,219	\$ 2,062,569

Note 4 – Deposits and Investments

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

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (Continued)

	2019
Demand deposits	\$ 992,093
Other time deposits (savings and NOW accounts)	557,977
Total deposits	1,550,070
STAR Ohio	1,140,346
Total investments	1,140,346
Total deposits and investments	\$ 2,690,416

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 6 – Interfund Balances

Outstanding advances at December 31, 2019 consisted of \$11,860 advanced to Special Revenue FEMA Fund to provide funding for purchase of equipment to be reimbursed with grant proceeds.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2019*

Note 7 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2019

Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

The certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages.. The Township has paid all contributions required through December 31, 2019.

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 – Defined Benefit Pension Plans (Continued)

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Ambulance Remount	\$ 93,974	3.75%
Total	\$ 93,974	

During 2017, the Township entered into a loan agreement with Middlefield Bank for a loan of \$118,000.00 to purchase an ambulance. The loan was issued at a 3.00 percent interest rate, with final maturity on October 22, 2019. The loan was paid in full in 2019.

During 2018, the Township entered into a loan agreement with Middlefield Bank for a loan of \$114,000.00 to pay for the cost of remounting a current ambulance. The loan was issued at a 3.75 percent interest rate, with final maturity on October 27, 2023. In 2019, the Township retired \$20,925 of this debt.

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt (Continued)

Amortization

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

Year Ending December 31:	Ambulance Remount Loan
2020	\$ 25,610
2021	25,610
2022	25,610
2023	25,417
Total	<u>\$ 102,247</u>

Note 11 – Joint Ventures

On February 14, 1997, the Township and the City of Ravenna (City) entered into a contract to jointly establish the Union Cemetery which is located between the Township and the City. The Cemetery previously belonged to the Township and was known as the “Maple Grove Cemetery”. The Cemetery is now governed by the Board of Cemetery Trustees. The Board consists of three members; one or more must be a member of the City and a member of the Township. Funding sources of the Cemetery are financial support from the two parties, sale of cemetery lots, and other miscellaneous revenues. The Township and the City share operating costs based on the prorated property valuations of each entity to the whole and this proration shall be revised annually. For the year 2019, the prorated percentages were 45 percent for the Township and 55 percent for the City.

Note 12 – Related Party Transactions

A Township Trustee is related to the owner of a company from which the Township acquires supplies, equipment, and equipment repairs during the year. The Township paid \$31,553 for supplies, equipment, and equipment repairs.

Note 13 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 347,046	\$ 1,078,117	\$ -	\$ 1,425,163
Charges for Services	-	259,329	-	259,329
Licenses, Permits and Fees	101,344	44,150	-	145,494
Intergovernmental	154,841	345,737	77,386	577,964
Special Assessments	2,352	3,817	-	6,169
Earnings on Investments	22,368	3,521	-	25,889
Miscellaneous	9,675	35,397	-	45,072
<i>Total Cash Receipts</i>	<u>637,626</u>	<u>1,770,068</u>	<u>77,386</u>	<u>2,485,080</u>
Cash Disbursements				
Current:				
General Government	304,876	-	-	304,876
Public Safety	-	961,130	-	961,130
Public Works	-	445,666	77,386	523,052
Health	127,874	67,638	-	195,512
Capital Outlay	25,701	164,865	1,460	192,026
Debt Service:				
Principal Retirement	-	79,714	-	79,714
Interest and Fiscal Charges	-	5,656	-	5,656
<i>Total Cash Disbursements</i>	<u>458,451</u>	<u>1,724,669</u>	<u>78,846</u>	<u>2,261,966</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>179,175</u>	<u>45,399</u>	<u>(1,460)</u>	<u>223,114</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	114,900	-	114,900
Sale of Capital Assets	-	7,610	-	7,610
Transfers In	-	150,000	50,000	200,000
Transfers Out	(200,000)	-	-	(200,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(200,000)</u>	<u>272,510</u>	<u>50,000</u>	<u>122,510</u>
<i>Net Change in Fund Cash Balances</i>	<u>(20,825)</u>	<u>317,909</u>	<u>48,540</u>	<u>345,624</u>
<i>Fund Cash Balances, January 1</i>	<u>816,872</u>	<u>716,289</u>	<u>486,350</u>	<u>2,019,511</u>
Fund Cash Balances, December 31				
Restricted	-	708,542	534,890	1,243,432
Committed	-	325,656	-	325,656
Assigned	566,502	-	-	566,502
Unassigned	229,545	-	-	229,545
<i>Fund Cash Balances, December 31</i>	<u>\$ 796,047</u>	<u>\$ 1,034,198</u>	<u>\$ 534,890</u>	<u>\$ 2,365,135</u>

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Agency	Private Purpose Trust	Totals (Memorandum Only)
Operating Cash Receipts			
Earnings on Investments (trust funds only)	\$ -	\$ 124	\$ 124
<i>Total Operating Cash Receipts</i>	-	124	124
<i>Operating Income</i>	-	124	124
Non-Operating Receipts			
Miscellaneous Receipts	5,460	-	5,460
<i>Total Non-Operating Receipts (Disbursements)</i>	5,460	-	5,460
<i>Net Change in Fund Cash Balances</i>	5,460	124	5,584
<i>Fund Cash Balances, January 1</i>	-	5,080	5,080
<i>Fund Cash Balances, December 31</i>	\$ 5,460	\$ 5,204	\$ 10,664

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

RAVENNA TOWNSHIP
PORTAGE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Ravenna Township, Portage County, (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, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the City of Ravenna, Ohio to provide dispatch services to the Township.

Public Entity Risk Pools

The Township participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund The Road and Bridge Fund receives property tax money for constructing, maintaining, and repairing Township road and bridges.

Gas Tax Fund The Gas Tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The Motor Vehicle License Tax Fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Fire District Fund The Fire District Fund receives property tax money to assist the residents of Ravenna Township with fire emergency and safety.

Ambulance and Emergency Fund The Ambulance and Emergency Fund receives EMS payments from people and insurance companies requesting ambulance service from the Township.

RAVENNA TOWNSHIP

PORTAGE COUNTY

Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Ambulance and EMS Levy Fund The Ambulance and EMS Levy Fund receives property tax levy money to assist the residents of Ravenna Township with EMS and safety services.

Grandview Cemetery Fund The Grandview Cemetery Fund receives fees from sale of cemetery plots and related burial fees and is used to support the maintenance of the Grandview Memorial Cemetery.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Public Works Commission Project Fund The Township received a grant from the Ohio Public Works Commission for capital improvements. The proceeds are restricted for capital improvement.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund utilizes interest revenue eared for the \$5,000 principal balance established by the agreement for the upkeep and maintenance of the flagpole in front of the Portage County Courthouse.

Agency funds are purely custodial in nature and are used hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following agency fund.

Fire Loss Fund – The fund is used to account for insurance proceeds from resident's claims that have suffered a fire loss.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

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

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

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.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2018*

Note 2 – Summary of Significant Accounting Policies (Continued)

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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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 Township 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 588,000	\$ 637,626	\$ 49,626
Special Revenue	1,988,811	2,042,578	53,767
Capital Projects	127,386	127,386	-
Fiduciary	95	124	29
Total	\$ 2,704,292	\$ 2,807,714	\$ 103,422

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,275,449	\$ 674,040	\$ 601,409
Special Revenue	2,493,413	1,744,121	749,292
Capital Projects	557,386	78,846	478,540
Fiduciary	75	-	75
Total	\$ 4,326,323	\$ 2,497,007	\$ 1,829,316

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2018*

Note 4 – Deposits and Investments

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

	2018
Demand deposits	\$ 902,380
Other time deposits (savings and NOW accounts)	556,417
Total deposits	<u>1,458,797</u>
STAR Ohio	917,002
Total investments	<u>917,002</u>
Total deposits and investments	<u><u>\$ 2,375,799</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2018*

Note 6 – Risk Management

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2018

Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

The certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages.. The Township has paid all contributions required through December 31, 2018.

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

*Notes to the Financial Statements
For the Year Ended December 31, 2018*

Note 7 – Defined Benefit Pension Plans (Continued)

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance	\$ 60,663	3%
Ambulance Remount	114,900	3.75%
Total	<u>\$ 175,563</u>	

During 2016, the Township entered into a loan agreement with Middlefield Bank for a loan of \$149,596.63 to purchase a fire truck. The loan was issued at a 2.76 percent interest rate, with final maturity on April 22, 2021. The Township has accelerated repayment to reduce overall interest expense and as a result, the loan will be paid in full in 2018.

During 2017, the Township entered into a loan agreement with Middlefield Bank for a loan of \$118,000.00 to purchase an ambulance. The loan was issued at a 3.00 percent interest rate, with final maturity on October 22, 2019.

During 2018, the Township entered into a loan agreement with Middlefield Bank for a loan of \$114,000.00 to pay for the cost of remounting a current ambulance. The loan was issued at a 3.75 percent interest rate, with final maturity on October 27, 2023.

Amortization

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

RAVENNA TOWNSHIP
PORTAGE COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (Continued)

Year Ending December 31:	Ambulance Loan	Ambulance Remount Loan
2019	\$ 61,975	\$ 25,610
2020	-	25,610
2021	-	25,610
2022	-	25,610
2023	-	25,417
Total	<u>\$ 61,975</u>	<u>\$ 127,857</u>

Note 10 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2018 fund balances:

	Special Revenue Funds
December 31, 2017 ending balances	\$ 761,038
Adjustment to account for canceled check	40
January 1, 2018 balances	<u>\$ 761,078</u>

Note 11 – Joint Ventures

On February 14, 1997, the Township and the City of Ravenna (City) entered into a contract to jointly establish the Union Cemetery which is located between the Township and the City. The Cemetery previously belonged to the Township and was known as the “Maple Grove Cemetery”. The Cemetery is now governed by the Board of Cemetery Trustees. The Board consists of three members; one or more must be a member of the City and a member of the Township. Funding sources of the Cemetery are financial support from the two parties, sale of cemetery lots, and other miscellaneous revenues. The Township and the City share operating costs based on the prorated property valuations of each entity to the whole and this proration shall be revised annually. For the year 2018, the prorated percentages were 44 percent for the Township and 56 percent for the City.

Note 12 – Related Party Transactions

A Township Trustee is related to the owner of a company from which the Township acquires supplies during the year. The Township paid \$3,555 for these supplies.

Note 13 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

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

August 31, 2020

Ravenna Township
Portage County
6115 S. Spring Street
Ravenna, OH 44266

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Ravenna Township**, Portage County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated August 31, 2020, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Township's Response to Findings

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Township's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

RAVENNA TOWNSHIP
PORTAGE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2019 and 2018, disbursements and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Debt payments were not properly allocated between principal and interest in 2019;
- A portion of the Road and Bridge Fund balance was classified as Restricted when the entire fund balance should have been Committed in 2019 and 2018;
- The Zoning Fund was presented as a Special Revenue Fund and not classified with the General Fund in 2019 and 2018, and
- The Gasoline Tax, Cemetery, Fire District, Fire District MVA, Ambulance and EMS, and EMS Levy Funds had all or a portion of their fund balance classified as Committed when the entire fund balance should have been Restricted in 2019 and 2018.

Not posting disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The Township has made these adjustments to their accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all items are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of disbursement accounts and posting of disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Management's Response – We will correct going forward.

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OHIO AUDITOR OF STATE KEITH FABER



RAVENNA TOWNSHIP

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/15/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov