

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**AUDIT REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Ravenna Township  
6115 South Spring Street  
Ravenna, Ohio 44266

We have reviewed the *Independent Accountants' Report* of Ravenna Township, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2004 through December 31, 2005. 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. Ravenna 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

February 19, 2008

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**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
AUDIT REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

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	<u>PAGE</u>
Independent Accountants' Report	1-2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2005	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2004	4
Notes to the Financial Statements	5-11
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12-13
Schedule of Findings	14-16
Schedule of Prior Audit Findings	17

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Trustees  
Ravenna Township  
Portage County  
6115 South Spring Street  
Ravenna, Ohio 44266

We have audited the accompanying financial statements of the Ravenna Township, Portage County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require 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, 2005 and 2004 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, 2005 and 2004, 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 Ravenna Township, Portage County, Ohio, as of December 31, 2005 and 2004, 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 November 30, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

November 30, 2007

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Special Revenue	Debt Service	Fiduciary Funds	Total (Memorandum Only)
<b>Cash Receipts</b>					
Local Taxes	\$ 241,857	\$ 902,340	\$ 66,954	\$ 0	\$ 1,211,151
Charges for Services	0	202,440	0	0	202,440
Licenses, Permits, and Fees	64,479	5,047	0	0	69,526
Fines, Forfeitures, and Penalties	212	0	0	0	212
Intergovernmental	109,505	342,080	4,454	0	456,039
Earnings on Investments	62,412	1,574	0	0	63,986
Other Revenue	6,984	53,589	0	0	60,573
<b>Total Cash Receipts</b>	<u>485,449</u>	<u>1,507,070</u>	<u>71,408</u>	<u>0</u>	<u>2,063,927</u>
<b>Cash Disbursements</b>					
Current:					
General Government	300,257	22,345	0	0	322,602
Public Safety	37,167	1,007,610	0	0	1,044,777
Public Works	14,032	402,889	0	0	416,921
Health	98,213	0	0	0	98,213
Capital Outlay	61,120	17,149	0	0	78,269
Debt Service:					
Redemption of Principal	0	0	71,406	0	71,406
<b>Total Cash Disbursements</b>	<u>510,789</u>	<u>1,449,993</u>	<u>71,406</u>	<u>0</u>	<u>2,032,188</u>
Total Receipts Over (Under) Disbursements	<u>(25,340)</u>	<u>57,077</u>	<u>2</u>	<u>0</u>	<u>31,739</u>
<b>Other Financing Receipts/ (Disbursements)</b>					
Transfers-In	0	60,000	0	0	60,000
Transfers-Out	(60,000)	0	0	0	(60,000)
Other Financing Sources	950	0	0	0	950
Earnings on Investments	0	0	0	225	225
<b>Total Other Financing Receipts/ (Disbursements)</b>	<u>(59,050)</u>	<u>60,000</u>	<u>0</u>	<u>225</u>	<u>1,175</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) and Other Financing Disbursements	(84,390)	117,077	2	225	32,914
Fund Cash Balances January 1, 2005	<u>2,010,930</u>	<u>609,853</u>	<u>21</u>	<u>7,023</u>	<u>2,627,827</u>
<b>Fund Cash Balances December 31, 2005</b>	<u>\$ 1,926,540</u>	<u>\$ 726,930</u>	<u>\$ 23</u>	<u>\$ 7,248</u>	<u>\$ 2,660,741</u>



**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES -  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	<u>Total (Memorandum Only)</u>
<b><u>Cash Receipts</u></b>					
Local Taxes	\$ 225,579	\$ 868,612	\$ 74,375	\$ 0	\$ 1,168,566
Charges for Services	0	215,297	0	0	215,297
Licenses, Permits, and Fees	53,903	9,193	0	0	63,096
Fines, Forfeitures, and Penalties	638	0	0	0	638
Intergovernmental	155,843	308,314	0	0	464,157
Earnings on Investments	29,271	716	20	101	30,108
Other Revenue	<u>22,887</u>	<u>43,195</u>	<u>0</u>	<u>0</u>	<u>66,082</u>
<b>Total Cash Receipts</b>	<u>488,121</u>	<u>1,445,327</u>	<u>74,395</u>	<u>101</u>	<u>2,007,944</u>
<b><u>Cash Disbursements</u></b>					
Current:					
General Government	269,154	20,654	0	0	289,808
Public Safety	16,446	957,512	0	0	973,958
Public Works	2,112	549,532	0	0	551,644
Health	115,323	0	0	0	115,323
Capital Outlay	24,998	240,211	0	0	265,209
Debt Service:					
Redemption of Principal	0	0	62,500	0	62,500
Interest and Other Fiscal Charges	<u>0</u>	<u>0</u>	<u>11,875</u>	<u>0</u>	<u>11,875</u>
<b>Total Cash Disbursements</b>	<u>428,033</u>	<u>1,767,909</u>	<u>74,375</u>	<u>0</u>	<u>2,270,317</u>
Total Receipts Over (Under) Disbursements	<u>60,088</u>	<u>(322,582)</u>	<u>20</u>	<u>101</u>	<u>(262,373)</u>
<b><u>Other Financing Receipts/ (Disbursements)</u></b>					
Transfers-In	0	147,935	0	0	147,935
Transfers-Out	(147,935)	0	0	0	(147,935)
Advances-In	10,000	10,000	0	0	20,000
Advances-Out	(10,000)	(10,000)	0	0	(20,000)
Other Financing Sources	<u>12,219</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,219</u>
<b>Total Other Financing Receipts/ (Disbursements)</b>	<u>(135,716)</u>	<u>147,935</u>	<u>0</u>	<u>0</u>	<u>12,219</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) and Other Financing Disbursements	(75,628)	(174,647)	20	101	(250,154)
Fund Cash Balances January 1, 2004	<u>2,086,558</u>	<u>784,500</u>	<u>1</u>	<u>6,922</u>	<u>2,877,981</u>
<b>Fund Cash Balances December 31, 2004</b>	<u>\$ 2,010,930</u>	<u>\$ 609,853</u>	<u>\$ 21</u>	<u>\$ 7,023</u>	<u>\$ 2,627,827</u>

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

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NOTE 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 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, 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Townships' accounting basis includes investments 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 investments in STAR Ohio (State Treasurer's Investment Pool) are recorded at share values 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:

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

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

D. **Fund Accounting** (Continued)

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

*Special Revenue Fund* - 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 Fund:

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

**Fire District Fund** - This fund receives property tax money to assist the residents of Ravenna Township with fire emergencies and safety.

*Debt Service Fund* - The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had one debt service fund, the Building Debt Service fund. This fund receives property tax money for the payment of principal and interest on the fire station note.

*Fiduciary Fund (Nonexpendable Trust Fund)* - Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement with Portage County.

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

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

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

E. **Budgetary Process** (Continued)

2. **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 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 not carried over.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

F. **Property, Plant, and Equipment**

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

G. **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.

NOTE 2: **EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2005</u>	<u>2004</u>
Demand Deposits	\$ 851,232	\$ 628,436
Total Deposits	<u>851,232</u>	<u>628,436</u>
STAR Ohio	<u>1,809,509</u>	<u>1,999,391</u>
Total Investments	<u>1,809,509</u>	<u>1,999,391</u>
Total Deposits and Investments	<u>\$ 2,660,741</u>	<u>\$ 2,627,827</u>

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

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

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

**NOTE 3: BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2005 and 2004 follows:

**2005 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 531,250	\$ 486,399	\$ (44,851)
Special Revenue	1,636,821	1,567,070	(69,751)
Debt Service	71,406	71,408	2
Capital Projects	150,000	0	(150,000)
Fiduciary	100	225	125
Total	<u>\$ 2,389,577</u>	<u>\$ 2,125,102</u>	<u>\$ (264,475)</u>

**2005 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,604,200	\$ 570,789	\$ 1,033,411
Special Revenue	2,866,400	1,449,993	1,416,407
Debt Service	71,408	71,406	2
Capital Projects	150,000	0	150,000
Fiduciary	500	0	500
Total	<u>\$ 4,692,508</u>	<u>\$ 2,092,188</u>	<u>\$ 2,600,320</u>

**2004 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 765,882	\$ 510,340	\$ (255,542)
Special Revenue	1,746,736	1,603,262	(143,474)
Debt Service	74,375	74,395	20
Capital Projects	63,400	0	(63,400)
Fiduciary	70	101	31
Total	<u>\$ 2,650,463</u>	<u>\$ 2,188,098</u>	<u>\$ (462,365)</u>

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 995,000	\$ 585,968	\$ 409,032
Special Revenue	2,133,055	1,777,908	355,147
Debt Service	74,375	74,375	0
Capital Projects	43,400	0	43,400
Fiduciary	1,978	0	1,978
Total	<u>\$ 3,247,808</u>	<u>\$ 2,438,251</u>	<u>\$ 809,557</u>

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

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**NOTE 4: PROPERTY TAX**

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

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

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

**NOTE 5: DEBT**

Debt outstanding at December 31, 2005 was as follows:

<u>General Obligation Note</u>	<u>Principal</u>	<u>Interest Rate</u>
Addition to Fire Station	\$ 125,000	4.75%

The general obligation note was issued to finance the addition to the Spring Street Fire Station. The note is collateralized solely by the Township's taxing authority.

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

<u>Year Ending December 31:</u>	<u>General Obligation Notes</u>
2005	\$ 71,406
2006	68,438
2007	65,469
Total	<u>\$ 205,313</u>

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

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NOTE 6: **RETIREMENT SYSTEMS**

A. **Ohio Public Employees Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, members of OPERS contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2005.

B. **Social Security**

Part-time firefighters are members of Social Security as they are exempt from OPERS.

NOTE 7: **RISK MANAGEMENT**

**Commercial**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles, including fire vehicles
- EDP
- Inland marine; and
- Errors and omissions.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(CONTINUED)**

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NOTE 8: **JOINT VENTURE**

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 prorated property valuations of each entity to the whole and this proration shall be revised annually. For the year 2005, the prorated percentages were 37 percent for the Township and 63 percent for the City.



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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Board of Trustees  
Ravenna Township  
Portage County  
6115 South Spring Street  
Ravenna, Ohio 44266

We have audited the financial statements of the Ravenna Township, Portage County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated November 30, 2007, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider significant.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2005-001, 2005-002, 2005-003.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We noted certain matters that we reported to the Township's management in a separate letter dated November 30, 2007.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001, 2005-002, 2005-003.

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 November 30, 2007.

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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

James G. Zupka, CPA, Inc.  
Certified Public Accountants  
November 30, 2007

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-001**

Ohio Revised Code Section 5705.36 (A)(2), states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included in an official certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the deficiency or excess.

During our review of the final estimated certificate of resources and the final appropriations budget for 2005, it was noted that several funds had significant deficiencies and/or excess of resources allocated to them. See the fund(s) listed below.

<u>Fund #</u>	<u>Description</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2031	Road and Bridge	\$ 523,238	\$ 647,083	\$ (123,845)
2111	Fire Department	\$ 896,327	\$ 960,000	\$ (63,673)
2901	Federal Grant	\$ 0	\$ 657,650	\$ (657,650)
4901	Misc. Capital Projects	\$ 0	\$ 150,000	\$ (150,000)

Officials Response

We will verify that appropriations do not exceed estimated resources.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-002**

Ohio Revised Code Section 5705.14 (E) states that money may be transferred from the general fund to any other fund of the subdivision by resolution of the taxing authority, upon majority approval of the taxing authority.

During our review of the Township, Board of Trustee(s) meeting minutes and the Cash Summary by Fund Reports, as of December 31<sup>st</sup>, 2004 and 2005, it was noted that several transfers from the general fund to other funds were made without a resolution approving the transfer of dollars. See transactions below.

A transfer of \$120,000 was made to fund 2031 - Road and Bridge Fund from the General Fund in 2004.

A transfer of \$22,000 was made to fund 2181 - Zoning Fund from the General Fund in 2004.

A transfer of \$5,935 was made to fund 2901 - Miscellaneous Special Fund from the General Fund in 2004.

A transfer of \$60,000 was made to fund 2901 - Miscellaneous Special Fund from the General Fund in 2005.

*Officials Response*

We will document approval of all transfers.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-003**

Advances must be clearly labeled, and must be distinguished from a transfer. Advances temporarily reallocate cash from one fund to another and involve an expectation of repayment. Advances must be approved by a formal resolution of the taxing authority of the subdivision.

During our review of the Township, Board of Trustee(s) meeting minutes and the Cash Summary by Fund Reports, as of December 31<sup>st</sup>, 2004, it was noted that an advance of \$10,000 was made to the General Fund, without formal resolution being passed to approve the advance.

*Officials Response*

We will take corrective action.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

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<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Explanation</u>
2003-001	Township not Reconciled	Yes	Finding Corrected



Mary Taylor, CPA  
Auditor of State

RAVENNA 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  
MARCH 6, 2008