

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



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, 2007 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 27, 2009

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**RAVENNA TOWNSHIP
PORTAGE COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

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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, 2008 and 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free to 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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.

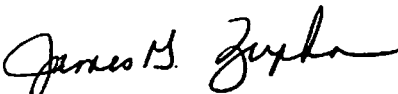
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the 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 paragraph, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Ravenna Township, Portage County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 April 17, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


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

April 17, 2009

**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, 2008**

Cash Receipts	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
Local Taxes	\$ 325,591	\$ 925,371	\$ 0	\$ 0	\$ 0	\$ 1,250,962
Intergovernmental	337,340	301,485	0	0	0	638,825
Special Assessments	0	3,080	0	0	0	3,080
Charges for Services	0	248,181	0	0	0	248,181
Licenses, Permits, and Fees	67,663	4,804	0	0	0	72,467
Earnings on Investments	13,492	1,127	0	21,177	198	35,994
Other Revenue	2,786	27,743	0	0	0	30,529
Total Cash Receipts	<u>746,872</u>	<u>1,511,791</u>	<u>0</u>	<u>21,177</u>	<u>198</u>	<u>2,280,038</u>
Cash Disbursements						
Current:						
General Government	265,298	40,621	0	0	1,535	307,454
Public Safety	3,467	1,248,554	0	0	0	1,252,021
Public Works	1,100	426,359	0	0	0	427,459
Health	118,000	0	0	0	0	118,000
Capital Outlay	19,533	132,216	0	0	0	151,749
Total Cash Disbursements	<u>407,398</u>	<u>1,847,750</u>	<u>0</u>	<u>0</u>	<u>1,535</u>	<u>2,256,683</u>
Total Receipts Over (Under) Disbursements	<u>339,474</u>	<u>(335,959)</u>	<u>0</u>	<u>21,177</u>	<u>(1,337)</u>	<u>23,355</u>
Other Financing Receipts/ (Disbursements)						
Transfers-In	951	209,000	0	0	0	209,951
Transfers-Out	(209,000)	(928)	(23)	0	0	(209,951)
Sale of Fixed Assets	55,338	0	0	0	0	55,338
Other Financing Sources	475	0	0	0	0	475
Total Other Financing Receipts/ (Disbursements)	<u>(152,236)</u>	<u>208,072</u>	<u>(23)</u>	<u>0</u>	<u>0</u>	<u>55,813</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) and Other Financing Disbursements	187,238	(127,887)	(23)	21,177	(1,337)	79,168
Fund Cash Balances January 1, 2008	<u>301,409</u>	<u>683,356</u>	<u>23</u>	<u>811,660</u>	<u>8,009</u>	<u>1,804,457</u>
Fund Cash Balances December 31, 2008	<u>\$ 488,647</u>	<u>\$ 555,469</u>	<u>\$ 0</u>	<u>\$ 832,837</u>	<u>\$ 6,672</u>	<u>\$1,883,625</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, 2007**

Cash Receipts	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
Local Taxes	\$ 266,636	\$ 981,612	\$ 65,469	\$ 0	\$ 0	\$ 1,313,717
Intergovernmental	149,210	187,191	0	0	0	336,401
Special Assessments	3,320	1,575	0	0	0	4,895
Charges for Services	0	192,096	0	0	0	192,096
Licenses, Permits, and Fees	62,267	17,492	0	0	0	79,759
Earnings on Investments	28,152	1,036	0	42,286	428	71,902
Other Revenue	<u>6,169</u>	<u>34,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,346</u>
Total Cash Receipts	<u>515,754</u>	<u>1,415,179</u>	<u>65,469</u>	<u>42,286</u>	<u>428</u>	<u>2,039,116</u>
Cash Disbursements						
Current:						
General Government	318,385	57,457	0	0	0	375,842
Public Safety	13,758	1,152,830	0	0	0	1,166,588
Public Works	1,436	476,678	0	10,908	0	489,022
Health	4,059	0	0	109,696	0	113,755
Human Services	0	0	0	14,100	0	14,100
Debt Services:						
Redemption of Principal	0	0	62,500	0	0	62,500
Interest	0	0	2,969	0	0	2,969
Capital Outlay	<u>23,992</u>	<u>121,564</u>	<u>0</u>	<u>48,922</u>	<u>0</u>	<u>194,478</u>
Total Cash Disbursements	<u>361,630</u>	<u>1,808,529</u>	<u>65,469</u>	<u>183,626</u>	<u>0</u>	<u>2,419,254</u>
Total Receipts Over (Under)						
Disbursements	<u>154,124</u>	<u>(393,350)</u>	<u>0</u>	<u>(141,340)</u>	<u>428</u>	<u>(380,138)</u>
Other Financing Receipts/ (Disbursements)						
Advances In	0	250,000	0	0	0	250,000
Transfers-In	70,000	253,100	0	953,000	0	1,276,100
Advances Out	(250,000)	0	0	0	0	(250,000)
Transfers-Out	(1,206,100)	(70,000)	0	0	0	(1,276,100)
Other Financing Sources	<u>4,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,880</u>
Total Other Financing Receipts/ (Disbursements)	<u>(1,381,220)</u>	<u>433,100</u>	<u>0</u>	<u>953,000</u>	<u>0</u>	<u>4,880</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) and Other Financing Disbursements						
	(1,227,096)	39,750	0	811,660	428	(375,258)
Fund Cash Balances January 1, 2007	<u>1,528,505</u>	<u>643,606</u>	<u>23</u>	<u>0</u>	<u>7,581</u>	<u>2,179,715</u>
Fund Cash Balances December 31, 2007	<u>\$ 301,409</u>	<u>\$ 683,356</u>	<u>\$ 23</u>	<u>\$ 811,660</u>	<u>\$ 8,009</u>	<u>\$1,804,457</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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, 2008 AND 2007
(CONTINUED)**

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.

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

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.

Capital Project Fund - This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Township had one capital project fund, the Issue II Fund. The Township received a grant from the State of Ohio for road improvements.

Permanent Fund - This fund is used to account for resources restricted by a legally binding trust agreement. The Township has one such fund, the Flagpole Fund. The Flagpole Fund utilizes the interest revenue earned from the \$5,000 principal balance established by the agreement for the upkeep and maintenance of the flag pole in front the Portage County Courthouse.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

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

E. **Budgetary Process**

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

1. **Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

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, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 2.

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.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE 2: BUDGETARY ACTIVITY

Budgetary activity for the years ending 2008:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 744,048	\$ 803,636	\$ 59,588
Special Revenue	1,780,522	1,720,791	(59,731)
Capital Projects	1,178,114	21,177	(1,156,937)
Permanent	361	198	(163)
Total	<u>\$ 3,703,045</u>	<u>\$ 2,545,802</u>	<u>\$(1,157,243)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 919,779	\$ 616,398	\$ 303,381
Special Revenue	2,577,517	1,848,678	728,839
Debt Service	26	23	3
Capital Projects	1,170,003	0	1,170,003
Permanent	2,932	1,535	1,397
Total	<u>\$ 4,670,257</u>	<u>\$ 2,466,634</u>	<u>\$ 2,203,623</u>

Budgetary activity for the years ending 2007:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 479,450	\$ 590,634	\$ 111,184
Special Revenue	1,632,973	1,918,279	285,306
Debt Service	65,469	65,469	0
Capital Projects	1,100,300	995,286	(105,014)
Permanent	350	428	78
Total	<u>\$ 3,278,542</u>	<u>\$ 3,570,096</u>	<u>\$ 291,554</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,891,268	\$ 1,817,730	\$ 73,538
Special Revenue	2,423,265	1,878,529	544,736
Debt Service	65,469	65,469	0
Capital Projects	1,100,300	183,626	916,674
Permanent	2,932	0	2,932
Total	<u>\$ 5,483,234</u>	<u>\$ 3,945,354</u>	<u>\$ 1,537,880</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE 3: 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:

	2008	2007
Demand Deposits	\$ 513,167	\$ 597,920
Total Deposits	513,167	597,920
STAR Ohio	1,370,458	1,206,537
Total Investments	1,370,458	1,206,537
Total Deposits and Investments	\$ 1,883,625	\$ 1,804,457

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.

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

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.

As of December 31, 2008 and December 31, 2007 there is no debt outstanding. A payment in the amount of \$65,469 was made in 2007 to pay off the General Obligation Note.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

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 2008 and 2007, members of OPERS contributed 10.0 percent and 9.5 percent, respectively, of their gross salaries. The Township contributed an amount equaling 14 percent and 13.7 percent, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008 and December 31, 2007.

B. **Ohio Police and Fire Pension**

All full-time firefighters of the Township belong to the Ohio Public Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost of living adjustments, and death benefits to plan member and beneficiaries. The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

For 2008 and 2007, members of OP&F contributed 10.0 percent of their gross salaries and the Township contributed an amount equaling 14.0 percent of participant salaries. The Township has paid all contributions required through December 31, 2008 and December 31, 2007.

C. **Social Security**

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE 7: RISK MANAGEMENT

Commercial Insurance

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.

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 2008, the prorated percentages were 41 percent for the Township and 59 percent for the City and in 2007 the prorated percentages were 40 percent for the Township and 60 percent for the City.

NOTE 9: TRANSFERS

As of December 31, 2008, transfers were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 951	\$ 209,000
Special Revenue Funds	209,000	928
Debt Service Funds	0	23
Totals	<u>\$ 209,951</u>	<u>\$ 209,951</u>

As of December 31, 2007, transfers were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 70,000	\$ 1,206,100
Special Revenue Funds	253,100	70,000
Capital Projects Funds	953,000	0
Totals	<u>\$ 1,276,100</u>	<u>\$ 1,276,100</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

NOTE 9: **TRANSFERS** (Continued)

All Transfers are in compliance with Ohio Revised Code Sections 5705.14-5705.16 except as noted in Finding 2008-002.

In 2007, a transfer of \$60,000 was made from the Miscellaneous Special Revenue Fund to the General Fund to payback the General Fund for monies transferred to the Miscellaneous Special Revenue fund in 2005 to establish a FEMA grant fund. In 2007, a transfer of \$10,000 was made from the PMHA lighting district fund to the General Fund to return funds that were transferred to establish that fund in a prior period.

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

Certified Public Accountants

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**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, 2008 and 2007, and have issued our report thereon dated April 17, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 to be a significant deficiency.

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 deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2008-001.

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.

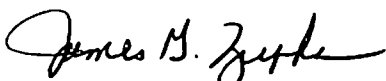
We noted certain matters that we reported to the Township's management in a separate letter dated April 17, 2009.

Compliance and Other Matters

As part of obtaining reasonable assurance about 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 statements 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 2008-002.

We also noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated April 17, 2009.

This report is intended 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

April 17, 2009

**RAVENNA TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

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

FINDING NUMBER 2008-001 - SIGNIFICANT DEFICIENCY

Vacation Accrual

The accrual of vacation time for all employees must be recorded according to the vacation policy for the Township. The correct amount of vacation time earned per policy must be given to employees at the beginning of the year and balances must be monitored and reviewed throughout the year.

During our review of the Township's vacation balances, it was noted that there were many employees with the incorrect vacation balance and that the Township is not properly accruing the time according to the policy.

Cause

Improper accruing of employee vacation time and lack of monitoring of vacation accounts on a periodic basis.

Effect

Employees received vacation time in excess of their earned amounts per the Township's vacation policy.

Recommendation

We recommend that the Township review the vacation balances for all employees to determine what the correct balances should be and correct all employees balances in the system. The Township should also monitor and review all balances throughout the year to ensure accuracy.

Township Response

The fiscal officer has sent out a memo to all department heads stating the Township policy on vacation accrual and will fix the incorrect balances. The fiscal officer will have all balances and accrual reports monitored throughout the year.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(CONTINUED)**

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

FINDING NUMBER 2008-002 - COMPLIANCE FINDING

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 31st, 2007, 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 \$140,000 was made to fund 2111 - Fire District Fund from the General Fund.

A transfer of \$10,000 was made to fund 2181 - Zoning Fund from the General Fund.

A transfer of \$83,000 was made to fund 4901 - Miscellaneous Capital Fund from the General Fund.

In addition we noted other transfers from the General Fund that did not have a clear description of the purpose of the transfer.

Township Response

The above transfers were done in early 2007 under the prior fiscal officer. Since appointment of current fiscal officer in mid 2007 all transfers have been approved by the Board of Trustees.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Explanation</u>
2006-001	Ohio Revised Code Section 5705.39 Appropriations exceeding Estimated Resources	Yes	Finding Corrected
2006-002	Improper Advance of Funds	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
JUNE 9, 2009**