



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Ravenna Township, Portage County, (the Township) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jim Petro
Auditor of State

April 18, 2002

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash Receipts:				
Local Taxes	\$216,938	\$695,926	\$83,282	\$996,146
Intergovernmental	495,548	172,750		668,298
Special Assessments		518		518
Charges for Services		192,934		192,934
Licenses, Permits, and Fees	44,499	11,816		56,315
Fines, Forfeitures, and Penalties	16,901			16,901
Earnings on Investments	88,463	4,360		92,823
Other Revenue	1,661	19,739		21,400
	864,010	1,098,043	83,282	2,045,335
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	178,175	31,208		209,383
Public Safety		541,296		541,296
Public Works	31,174	382,421		413,595
Health	59,216			59,216
Human Services	8,483			8,483
Debt Service:				
Redemption of Principal			62,500	62,500
Interest and Fiscal Charges			20,781	20,781
Capital Outlay	4,870	116,330		121,200
	281,918	1,071,255	83,281	1,436,454
Total Cash Disbursements				
Total Receipts Over Disbursements	582,092	26,788	1	608,881
Other Financing Receipts and (Disbursements):				
Transfers-In		20,000		20,000
Transfers-Out	(20,000)			(20,000)
	(20,000)	20,000	0	0
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	562,092	46,788	1	608,881
Fund Cash Balances, January 1	1,633,586	618,065	0	2,251,651
Fund Cash Balances, December 31	\$2,195,678	\$664,853	\$1	\$2,860,532
Reserve for Encumbrances, December 31	\$40,000	\$6	\$0	\$40,006

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

RAVENNA TOWNSHIP
PORTAGE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Nonexpendable Trust Fund</u>
Cash Receipts:	
Earnings on Investments	\$269
Fund Cash Balances, January 1	<u>6,455</u>
Fund Cash Balances, December 31	<u><u>\$6,724</u></u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$278,019	\$625,645	\$903,664
Intergovernmental	306,789	174,306	481,095
Special Assessments		372	372
Charges for Services		188,232	188,232
Licenses, Permits, and Fees	31,194	13,486	44,680
Fines, Forfeitures, and Penalties	156		156
Earnings on Investments	125,237	6,134	131,371
Other Revenue	6,548	31,674	38,222
	<u>747,943</u>	<u>1,039,849</u>	<u>1,787,792</u>
Cash Disbursements:			
Current:			
General Government	184,196	29,356	213,552
Public Safety		475,499	475,499
Public Works	36,704	392,093	428,797
Health	98,316		98,316
Human Services	8,483		8,483
Debt Service:			
Redemption of Principal	62,500		62,500
Interest and Fiscal Charges	23,750		23,750
Capital Outlay	1,565	329,040	330,605
	<u>415,514</u>	<u>1,225,988</u>	<u>1,641,502</u>
Total Receipts Over/(Under) Disbursements	<u>332,429</u>	<u>(186,139)</u>	<u>146,290</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		100,000	100,000
Transfers-Out	(100,000)		(100,000)
	<u>(100,000)</u>	<u>100,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	232,429	(86,139)	146,290
Fund Cash Balances, January 1	<u>1,401,157</u>	<u>704,204</u>	<u>2,105,361</u>
Fund Cash Balances, December 31	<u>\$1,633,586</u>	<u>\$618,065</u>	<u>\$2,251,651</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$1,050</u>	<u>\$1,050</u>

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

RAVENNA TOWNSHIP
PORTAGE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Nonexpendable Trust Fund</u>
Cash Receipts:	
Earnings on Investments	\$403
Cash Disbursements:	
Purchased Services	<u>526</u>
Total Receipts (Under) Disbursements	(123)
	<u>6,578</u>
Fund Cash Balances, December 31	<u>\$6,455</u>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ravenna Township, Portage County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Portage County Sheriff to provide police protection.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Investments are included in fund cash balances. 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:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire District Fund - This fund receives property tax money to pay for fire protection for citizens of the Township.

3. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The township had the following significant Debt Service Fund:

Spring Street Fire Station Note - This fund receives property tax money for the payment of principal and interest on the fire station note.

4. Fiduciary Fund (Nonexpendable Trust 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 of the Portage County Courthouse.

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 carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2001	2000
Demand deposits	\$743,208	\$41,828
STAR Ohio	2,124,049	2,216,278
Total deposits	<u>2,867,257</u>	<u>2,258,106</u>

Deposits: Deposits are either 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$963,704	\$864,010	(\$99,694)
Special Revenue	1,053,787	1,118,043	64,256
Debt Service	83,282	83,282	0
Fiduciary	320	269	(51)
Total	<u>\$2,101,093</u>	<u>\$2,065,604</u>	<u>(\$35,489)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$529,646	\$341,918	\$187,728
Special Revenue	1,210,578	1,071,261	139,317
Debt Service	83,281	83,281	0
Fiduciary	850	0	850
Total	<u>\$1,824,355</u>	<u>\$1,496,460</u>	<u>\$327,895</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$657,668	\$747,943	\$90,275
Special Revenue	975,809	1,139,849	164,040
Fiduciary	320	403	83
Total	\$1,633,797	\$1,888,195	\$254,398

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$614,542	\$515,514	\$99,028
Special Revenue	1,346,415	1,227,038	119,377
Fiduciary	850	526	324
Total	\$1,961,807	\$1,743,078	\$218,729

4. PROPERTY TAX

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

<u>General Obligation Note</u>	<u>Principal</u>	<u>Interest Rate</u>
Addition to Fire Station	\$250,000	4.75%

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT – (Continued)

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>General Obligation Notes</u>
Year ending December 31:	
2002	\$80,313
2003	77,344
2004	74,375
2005	71,406
Total	<u><u>\$303,438</u></u>

6. RETIREMENT SYSTEMS

A. Public Employees Retirement System

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

B. Social Security

All fire fighters are part-time employees and are members of Social Security as they are exempt from PERS.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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 (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 2001, the proration percentage is 36% for the Township and 64% for the City.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Ravenna Township
Portage County
6615 S. Spring Street
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Ravenna Township, Portage County, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 18, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 18, 2002.

Ravenna Township
Portage County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

April 18, 2002

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-41167-001	Expenditures being made or entered into prior to the Clerk certifying the availability of funds	No	Repeated for this audit as a management letter comment
1998-41167-002	Expenditures being made or entered into prior to the Clerk certifying the availability of funds	No	Repeated for this audit as a management letter comment
1998-41167-003	A-133 audit was not performed and the data collection form were not filed within 13 months	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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 25, 2002**