

**RAVENNA TOWNSHIP
PORTAGE COUNTY**

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006



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, 2006 through December 31, 2006. 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, 2007**

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

Certified Public Accountants

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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 Ravenna Township, Portage County, Ohio (the Township), as of and for the year ended December 31, 2006. 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 year ended December 31, 2006 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, 2006, or its changes in financial position for the year 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, 2006, 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 December 3, 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the basic financial statements of Ravenna Township, Portage County, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

December 3, 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, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	<u>Total (Memorandum Only)</u>
Cash Receipts					
Local Taxes	\$ 238,812	\$ 910,573	\$ 68,438	\$ 0	\$ 1,217,823
Intergovernmental	141,601	795,319	0	0	936,920
Special Assessments	150	524	0	0	674
Charges for Services	0	234,067	0	0	234,067
Licenses, Permits, and Fees	66,733	4,565	0	0	71,298
Fines and Forfeitures	17,050	0	0	0	17,050
Earnings on Investments	87,105	1,527	0	333	88,965
Other Revenue	48,632	54,143	0	0	102,775
Total Cash Receipts	<u>600,083</u>	<u>2,000,718</u>	<u>68,438</u>	<u>333</u>	<u>2,669,572</u>
Cash Disbursements					
Current:					
General Government	362,779	26,866	0	0	389,645
Public Safety	29,393	1,165,800	0	0	1,195,193
Public Works	17,527	1,072,899	0	0	1,090,426
Health	115,173	0	0	0	115,173
Debt Service:					
Redemption of Principal	0	0	62,500	0	62,500
Interest and Fiscal Charges	0	0	5,938	0	5,938
Capital Outlay	257,546	98,477	0	0	356,023
Total Cash Disbursements	<u>782,418</u>	<u>2,364,042</u>	<u>68,438</u>	<u>0</u>	<u>3,214,898</u>
Total Receipts Over (Under) Disbursements	<u>(182,335)</u>	<u>(363,324)</u>	<u>0</u>	<u>333</u>	<u>(545,326)</u>
Other Financing Receipts/ (Disbursements)					
Advances-In	0	113,000	0	0	113,000
Transfers-In	0	167,000	0	0	167,000
Transfers-Out	(167,000)	0	0	0	(167,000)
Advances-Out	(113,000)	0	0	0	(113,000)
Other Financing Sources	68,756	0	0	0	68,756
Other Financing Uses	(4,456)	0	0	0	(4,456)
Total Other Financing Receipts/ (Disbursements)	<u>(215,700)</u>	<u>280,000</u>	<u>0</u>	<u>0</u>	<u>64,300</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) and Other Financing Disbursements	(398,035)	(83,324)	0	333	(481,026)
Fund Cash Balances January 1, 2006	<u>1,926,540</u>	<u>726,930</u>	<u>23</u>	<u>7,248</u>	<u>2,660,741</u>
Fund Cash Balances December 31, 2006	<u>\$ 1,528,505</u>	<u>\$ 643,606</u>	<u>\$ 23</u>	<u>\$ 7,581</u>	<u>\$ 2,179,715</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006**

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, 2006
(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.

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.

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 the Portage County Courthouse.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(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 2006 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.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(CONTINUED)**

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:

	2006
Demand Deposits	\$ 586,233
Total Deposits	586,233
STAR Ohio	1,660,350
Total Investments	1,660,350
Total Deposits and Investments	\$ 2,246,583

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 3: BUDGETARY ACTIVITY

Budgetary activity for the years ending 2006:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 511,700	\$ 668,839	\$ 157,139
Special Revenue	2,271,078	2,280,717	9,639
Debt Service	68,438	68,438	0
Fiduciary	200	334	134
Total	\$ 2,851,416	\$ 3,018,328	\$ 166,912

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,810,367	\$ 1,066,874	\$ 743,493
Special Revenue	3,028,404	2,364,042	664,362
Debt Service	68,438	68,438	0
Capital Projects	150,000	0	150,000
Fiduciary	500	0	500
Total	\$ 5,057,709	\$ 3,499,354	\$ 1,558,355

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(CONTINUED)**

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, 2006 was as follows:

<u>General Obligation Note</u>	<u>Principal</u>	<u>Interest Rate</u>
Addition to Fire Station	\$ 62,500	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>
2007	\$ 65,469
Total	<u>\$ 65,469</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(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 2006, members of OPERS contributed 9.0 percent of their gross salaries. The Township contributed an amount equaling 13.7 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

B. **Social Security**

All firefighters of the Township are part-time employees and are members of Social Security as they are exempt from OPERS.

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.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(CONTINUED)**

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 2006, the prorated percentages were 38 percent for the Township and 62 percent for the City.

**RAVENNA TOWNSHIP
 PORTAGE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/Program Title	CFDA Number	Federal Expenditures
<u>U.S. Department of Homeland Security</u>		
<u>Direct Programs</u>		
<i>Assistance to Firefighters Grant Program</i>		
Operations and Firefighter Safety	97.044	\$ <u>627,284</u>
Total U.S. Department of Homeland Security		<u>627,284</u>
Total Federal Financial Assistance		<u>\$ 627,284</u>

**RAVENNA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Township's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B: MATCHING REQUIREMENTS

Certain Federal programs require that the Township contribute Non-Federal funds (matching funds) to support the federally funded programs. The Township has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

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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 year ended December 31, 2006, and have issued our report thereon dated December 3, 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 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: 2006-002.

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 deficiencies described above is not a material weakness.

We noted certain matters that we reported to the Township's management in a separate letter dated December, 3, 2007.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2006-001 and 2006-002

We also noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated December 3, 2007.

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

December 3, 2007

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Ravenna Township, Portage County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The Ravenna Township, Portage County, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Ravenna Township, Portage County, Ohio's management. Our responsibility is to express an opinion on the Ravenna Township, Portage County, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Ravenna Township, Portage County, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Ravenna Township, Portage County, Ohio's compliance with those requirements.

In our opinion, the Ravenna Township, Portage County, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the Ravenna Township, Portage County, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Ravenna Township, Portage County, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ravenna Township, Portage County, Ohio's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Ravenna Township, Ohio's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, Ravenna Township, Portage County, Ohio, federal awarding agencies, and pass-through entities and is not to be and should not be used by any other than these specified parties.

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

December 3, 2007

**RAVENNA TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

2006(i)	Type of Financial Statement Opinion	Unqualified
2006(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2006(ii)	Were there any other significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2006(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2006(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2006(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2006(v)	Type of Major Programs' Compliance Opinion	Unqualified
2006(vi)	Are there any reportable findings under .510?	No
2006(vii)	Major Programs (list): Assistance to Firefighters Grant - CFDA # 97.044	
2006(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000
2006(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2006**

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

FINDING NUMBER 2006-001

Ohio Revised Code Section 5705.39, states that upon a determination by the fiscal officer of a subdivision that the total appropriations from each fund shall not exceed the total estimated resources.

During our review of the final estimated certificate of resources and the final appropriations budget for 2006, 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>Final Resources</u>	<u>Final Appropriations</u>	<u>Variance</u>
2111	Fire Department	\$ 839,707	\$ 1,145,500	\$ (305,793)
2901	Federal Grant	\$ 913	\$ 604,714	\$ (603,801)
4901	Misc. Capital Projects	\$ 0	\$ 150,000	\$ (150,000)

This finding was also applicable to the period ending December 31, 2005.

Officials Response

We will correct this condition in future periods.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2006**

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

FINDING NUMBER 2006-002

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 31st, 2006, it was noted that an advance of \$113,000 was made to the Fire Fund, without formal resolution being passed to approve the advance.

This funding was also applicable to the audit period ended December 31, 2005.

Officials Response

We will pass a resolution for all advances in the future.

**RAVENNA TOWNSHIP
PORTAGE COUNTY
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Explanation</u>
2005-001	Ohio Revised Code Section 5705.36 (A)(2) Appropriations exceeding Estimated Resources	No	Not Corrected; Reissued as Finding No. 2006-001
2005-002	Ohio Revised Code Section 5705.14 (E) Improper Transfers	Yes	Finding Corrected
2005-003	Improper Advance of Funds	No	Not Corrected; Reissued as Finding No. 2006-003



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