



**Auditor of State  
Betty Montgomery**



RAVENNA TOWNSHIP  
PORTAGE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
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, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2004.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings .....	15

**This page intentionally left blank.**



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANT'S REPORT

Ravenna Township  
Portage County  
6115 Spring Street  
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Ravenna Township (the Township) as of and for the years ended December 31, 2003 and 2002. 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.

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11 (B) and 115.56 mandate the Auditor of State to audit Ohio governments.

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, 2003 and 2002, 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 September 23, 2005 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.

Ravenna Township  
Portage County  
Independent Accountants Report  
Page 2

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 23, 2005

**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, 2003**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$205,524	\$810,437	\$62,500	\$0	\$0	\$1,078,461
Intergovernmental	219,638	234,599	14,844	29,491		498,572
Special Assessments		821				821
Charges for Services		220,739				220,739
Licenses, Permits, and Fees	39,595	12,690				52,285
Fines, Forfeitures, and Penalties	678					678
Earnings on Investments	29,099	535			76	29,710
Other Revenue	13,582	11,886				25,468
<b>Total Cash Receipts</b>	<b>508,116</b>	<b>1,291,707</b>	<b>77,344</b>	<b>29,491</b>	<b>76</b>	<b>1,906,734</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	242,071	24,330				266,401
Public Safety		725,336				725,336
Public Works	36,203	427,485				463,688
Health	99,464					99,464
Human Services	13,000					13,000
Conservation - Recreation						0
Miscellaneous						0
Debt Service:						
Redemption of Principal			62,500			62,500
Interest and Fiscal Charges			14,844			14,844
Capital Outlay	29,872	279,688		29,491		339,051
<b>Total Cash Disbursements</b>	<b>420,610</b>	<b>1,456,839</b>	<b>77,344</b>	<b>29,491</b>	<b>0</b>	<b>1,984,284</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>87,506</b>	<b>(165,132)</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>(77,550)</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In		142,000				142,000
Transfers-Out	(142,000)	0	0	0	0	(142,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(142,000)</b>	<b>142,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(54,494)	(23,132)	0	0	76	(77,550)
Fund Cash Balances, January 1	2,163,869	807,632	1	0	6,846	2,978,348
Fund Balance Adjustment (See Note 9)	(22,817)	0	0	0	0	(22,817)
<b>Fund Cash Balances, December 31</b>	<b>\$2,086,558</b>	<b>\$784,500</b>	<b>\$1</b>	<b>\$0</b>	<b>\$6,922</b>	<b>\$2,877,981</b>
Reserve for Encumbrances, December 31	\$187	\$180,659	\$0	\$0	\$0	\$180,846

*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 AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$213,478	\$827,417	\$80,313	\$0	\$0	\$1,121,208
Intergovernmental	176,642	199,724		102,365		478,731
Special Assessments		834				834
Charges for Services		194,249				194,249
Licenses, Permits, and Fees	48,943	12,048				60,991
Fines, Forfeitures, and Penalties	14,506					14,506
Earnings on Investments	42,044	1,003			122	43,169
Other Revenue	37,140	61,372				98,512
<b>Total Cash Receipts</b>	<b>532,753</b>	<b>1,296,647</b>	<b>80,313</b>	<b>102,365</b>	<b>122</b>	<b>2,012,200</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	258,522	21,341				279,863
Public Safety		613,476				613,476
Public Works	61,469	498,650				560,119
Health	101,692					101,692
Human Services	11,495					11,495
Debt Service:						
Redemption of Principal			62,500			62,500
Interest and Fiscal Charges			17,813			17,813
Capital Outlay	4,409	146,047		102,365		252,821
<b>Total Cash Disbursements</b>	<b>437,587</b>	<b>1,279,514</b>	<b>80,313</b>	<b>102,365</b>	<b>0</b>	<b>1,899,779</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>95,166</b>	<b>17,133</b>	<b>0</b>	<b>0</b>	<b>122</b>	<b>112,421</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In		125,000				125,000
Transfers-Out	(125,000)	0	0	0	0	(125,000)
Refund of prior expenditures	0	646	0	0	0	646
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(125,000)</b>	<b>125,646</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>646</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(29,834)</b>	<b>142,779</b>	<b>0</b>	<b>0</b>	<b>122</b>	<b>113,067</b>
Fund Cash Balances, January 1	2,195,678	664,853	1	0	6,724	2,867,256
Fund Balance Adjustment (see Note 9)	(1,975)	0	0	0	0	(1,975)
<b>Fund Cash Balances, December 31</b>	<b>\$2,163,869</b>	<b>\$807,632</b>	<b>\$1</b>	<b>\$0</b>	<b>\$6,846</b>	<b>\$2,978,348</b>
Reserve for Encumbrances, December 31	\$37,764	\$76	\$0	\$0	\$0	\$37,840

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



**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**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:

**1. General Fund**

The General Fund reports 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 Fund:

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**3. 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.

**4. 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.

**5. 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.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 2003 and 2002 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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2003</u>	<u>2002</u>
Demand deposits	<u>\$691,475</u>	<u>\$815,890</u>
Total deposits	<u>691,475</u>	<u>815,890</u>
STAR Ohio	<u>2,186,506</u>	<u>2,162,458</u>
Total investments	<u>2,186,506</u>	<u>2,162,458</u>
Total deposits and investments	<u><u>\$2,877,981</u></u>	<u><u>\$2,978,349</u></u>

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

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

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$814,025	\$508,116	(\$305,909)
Special Revenue	1,425,494	1,433,707	8,213
Debt Service	77,344	77,344	0
Capital Projects	0	29,491	29,491
Fiduciary	330	76	(254)
Total	<u>\$2,317,193</u>	<u>\$2,048,734</u>	<u>(\$268,459)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,980,600	\$562,797	\$2,417,803
Special Revenue	2,233,127	1,637,498	595,629
Debt Service	77,344	77,344	0
Capital Projects	0	29,491	(29,491)
Fiduciary	6,676	0	6,676
Total	<u>\$5,297,747</u>	<u>\$2,307,130</u>	<u>\$2,990,617</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$711,059	\$532,753	(\$178,306)
Special Revenue	1,311,230	1,421,647	110,417
Debt Service	80,313	80,313	0
Capital Projects	0	102,365	102,365
Fiduciary	320	122	(198)
Total	<u>\$2,102,922</u>	<u>\$2,137,200</u>	<u>\$34,278</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,947,468	\$600,351	\$2,347,117
Special Revenue	1,976,083	1,278,944	697,139
Debt Service	80,313	80,313	0
Capital Projects	0	102,365	(102,365)
Fiduciary	2,045	0	2,045
Total	<u>\$5,005,909</u>	<u>\$2,061,973</u>	<u>\$2,943,936</u>

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**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.

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

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

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

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

Year ending December 31:	General Obligation Notes
2003	\$77,344
2004	74,375
2005	71,406
2006	68,438
2007	65,469
Total	\$357,032

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. RETIREMENT SYSTEMS**

**A. Ohio Public Employees Retirement System**

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 2003 and 2002, members of OPERS contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

**B. Social Security**

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

**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.

**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 2003, the prorated percentages were 37% for the Township and 63% for the City.

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**9. FUND BALANCE ADJUSTMENTS**

During 2002 and 2003, the Township's fund balances were not properly reconciled to their bank balances. The Township hired a Certified Public Accountant Firm to aid them in getting their accounting system reconciled with their bank balances. The Firm noted numerous errors in the Township's accounting system throughout 2002 and 2003, including incorrect and duplicate postings, along with transactions not being posted at all. As a result of these errors, the Township's fund balances were overstated, when compared to their bank balances, in 2002 and 2003 by \$2,707.54 and \$25,525.33, respectively.

**This page intentionally left blank.**





**Auditor of State  
Betty Montgomery**

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

Ravenna Township  
Portage County  
6115 Spring Street  
Ravenna, OH 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Ravenna Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 23, 2005 wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed implemented, and as requested, operates UAN. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matters involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2003-001.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2003-001 listed above to be a material weakness. In a separate letter to the Township's management dated September 23, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503  
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Ravenna Township

Portage County

Report of Independent Accountant's on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Page 2

### **Compliance and Other Matters**

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 directly and materially effect 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 did not disclose any instances of noncompliance that we must report under *Government Auditing Standards*. However, we did note other certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated September 23, 2005.

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.



**Betty Montgomery**

Auditor of State

September 23, 2005

**RAVENNA TOWNSHIP  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 and 2002**

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

**FINDING NUMBER 2003-001**

**Reportable Condition – Township not Reconciled**

The management of each local public office is responsible for the assertions underlying the information in the public office's financial statements. This includes ensuring that recorded assets exist as of fiscal year end, recorded transactions have occurred and are not fictitious, as well as ensuring that all account balances and transactions that should be included in the financial records are included. To achieve these assertions, management should consider the following internal controls:

- Ensuring that all transactions are properly authorized in accordance with management's policies;
- Ensuring that accounting records are properly designed;
- Ensuring adequate security of assets and records;
- Planning for adequate segregation of duties or compensating controls;
- Verifying the existence and valuation of assets and periodically reconcile them to the accounting records;
- Performing analytical procedures to determine the reasonableness of financial data; and
- Ensuring the collection and compilation of the data needed for the timely preparation of financial statements.

During 2002 and 2003 the Township closed out its books each month, however, they did not properly reconcile their fund balances to their bank balances.

The Township was aware of the problem and contacted a visiting clerk in 2003 to help them properly reconcile. However, no conclusion on how to get reconciled was reached. Because the Township was not properly reconciled we issued a 90 day letter for the Township to allow time for the Township to properly reconcile their fund balances and bank balances.

The Township hired a Certified Public Accounting Firm to aid them in getting their accounting system reconciled with their bank balances. The Firm noted numerous errors in the Township's accounting system throughout 2002 and 2003, including incorrect and duplicate postings, along with transactions not being posted at all. As a result of these errors, the Township's fund balances were overstated, when compared to their bank balances, in 2002 and 2003 by \$2,707.54 and \$25,525.33, respectively.

This condition may have lead to the Township making financial decisions with inaccurate fund balances.

We recommend the Township reconcile their accounting system to the bank balances on a monthly basis. The Clerk should review any discrepancies noted and make the necessary adjustments as needed to insure the Township is properly reconciled.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
NOVEMBER 15, 2005**