

**MANTUA TOWNSHIP, OHIO
PORTAGE COUNTY**

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

Board of Trustees
Mantua Township
3898 Winchell Road
Mantua, Ohio 44255

We have reviewed the *Independent Auditor's Report* of Mantua Township, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2006 through December 31, 2007. 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.

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. Mantua Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 17, 2008

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**MANTUA TOWNSHIP, OHIO
PORTAGE COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

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PORTAGE COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Mantua Township
Portage County, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Ohio, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Mantua Township, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

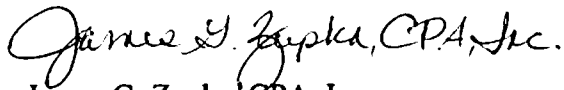
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 opinions.

As discussed in Note 2, the accompanying financial statements are prepared on the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position, and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and the Road Levy funds, thereof, for the years then ended in conformity with the accounting basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2008, on our consideration of Mantua Township, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

December 2, 2008

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

The discussion and analysis of Mantua Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2007, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key financial highlights for 2007 are as follows:

- Net assets of governmental activities decreased by \$15,760, or 2 percent, not a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Road Levy Fund. The other major funds all increased in cash value.
- The Township's general receipts are primarily from property taxes and intergovernmental revenues. These receipts each represent 45 percent of the total cash received for governmental activities during the year. Property tax receipts for 2007 increased by almost \$15,000 compared to 2006. Estate taxes made up a significant portion (18.6 percent) of General Fund receipts in 2007. This is slated to be a decreasing source of funds if current State law continues to decrease the tax collected by local governments.
- Gasoline taxes increased by over 10 percent of budget in 2007.
- Vaughn Road, paved in 2006, was paid for in 2007 via a 60 percent Public Works grant and local funds. Frost Road was paved during 2007 at a total cost of \$130,150. This cost was entirely paid by the Township.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and changes in cash position. Keeping in mind the limitations of the cash basis of accounting, the reader can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, the reader should also consider other nonfinancial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources, such as property taxes.

The Township has only governmental type of activities; thus, the Statement of Activities will show only governmental type activities, which are described below:

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

Governmental Activities Most of the Township's basic services are reported here, including police, fire, streets, and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds, not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy Fund, and the Public Works Commission Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 on a cash basis:

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 829,072	\$ 844,832
Total Assets	<u>\$ 829,072</u>	<u>\$ 844,832</u>
<u>Net Assets</u>		
Restricted for:		
Capital Outlay	\$ 105,753	\$ 140,279
Other Purposes	1,101	1,101
Unrestricted	<u>722,218</u>	<u>703,452</u>
Total Net Assets	<u>\$ 829,072</u>	<u>\$ 844,832</u>

As mentioned previously, net assets of governmental activities decreased by \$15,760, or 2 percent, during 2007. The primary reasons contributing to the changes in cash balances are as follows:

- Culvert installations and replacements throughout the Township are fairly new, and housing starts were down in 2007. The ditching program taking place over the past several years is nearly complete. There was not much re-surfacing done in 2007. Most work performed was to maintain and improve the current road conditions.
- The Public Works project completed in late 2006 was paid for in 2007.
- Capital projects have been deferred, pending work on the Mantua Center School building.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2006 for governmental activities.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

Table 2 - Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<u>Receipts</u>		
Program Receipts:		
Charges for Services and Sales	\$ 28,529	\$ 50,389
Operating Grants and Contributions	120,956	111,803
Capital Grants and Contributions	<u>130,356</u>	<u>122,336</u>
Total Program Receipts	<u>279,841</u>	<u>284,528</u>
General Revenues:		
Property and Other Local Taxes	402,242	387,515
Grants and Entitlements	145,485	125,496
Interest	38,684	35,288
Miscellaneous	<u>22,051</u>	<u>1,732</u>
Total General Receipts	<u>608,462</u>	<u>550,031</u>
Total Receipts	<u>888,303</u>	<u>834,559</u>
<u>Disbursements</u>		
General Government	211,742	194,584
Public Health Services	20,384	21,327
Public Works	419,919	266,718
Conservation/Recreation	7,000	10,017
Other	67,410	50,358
Capital Outlay	<u>177,608</u>	<u>171,065</u>
Total Disbursements	<u>904,063</u>	<u>714,069</u>
Increase (Decrease) in Net Assets	(15,760)	120,490
Net Assets - January 1	<u>844,832</u>	<u>724,342</u>
Net Assets - December 31	<u>\$ 829,072</u>	<u>\$ 844,832</u>

Program receipts represent only 32 percent of total governmental receipts in 2007 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax monies.

General receipts represent 68 percent of the Township's total receipts and, of this amount, over 66 percent are local taxes. Interest, estate taxes, and other receipts make up approximately 34 percent of additional revenues.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. Since these costs do not represent direct services to residents, the township tries to limit these costs.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

Governmental Activities

In the Statement of Activities, the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for maintenance of roads, which account for 46 percent of all governmental disbursements. General Government also represents a significant cost, about 23 percent. The next three columns of the statement entitled "Program Receipts" identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net Receipt (disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented below in Table 3.

Table 3 - Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Net Cost of Services 2006	Total Cost of Services 2006
General Government	\$ 211,742	\$ (200,159)	\$ 194,584	\$ (154,545)
Public Health Services	20,384	(3,265)	21,327	(10,965)
Public Works	419,919	(168,780)	266,718	(32,591)
Conservation/Recreation	7,000	(7,000)	10,017	(10,017)
Other	67,410	(67,410)	50,358	(50,358)
Capital Outlay	177,608	(177,608)	171,065	(171,065)
Total Expenses	<u>\$ 904,063</u>	<u>\$ (624,222)</u>	<u>\$ 714,069</u>	<u>\$ (429,541)</u>

The dependence upon property tax receipts is apparent, as over 69 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$888,303 and disbursements of \$904,063. The greatest change within governmental funds occurred within the Gasoline Tax Fund, as receipts increased by more than \$10,000.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final budgeted receipts were above original budgeted receipts, due in part to increased interest rates and Estate tax. The difference between final budgeted receipts and actual receipts was not significant.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)**

Final disbursements were budgeted at \$336,738, while actual disbursements were \$224,042. Capital projects budgeted within the General Fund failed to materialize, as uncertainty about the cost of the Mantua Center School project continued into 2007. The Township kept other spending very close to budgeted amounts as demonstrated by the minor reported variances. The fund balance of the General Fund only decreased by \$141.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently report its capital assets and infrastructure in the financial statements.

Debt

At December 31, 2007, the Township's only debt is related to a non-cancelable lease. See Note 11 for more details.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited and, in some cases, shrinking funding. The Township relies heavily on local taxes and has very little industry to support the tax base. The Township reviewed its sources of revenue and determined that increases were unlikely. The Township then reviewed its disbursement history. The township will continue to serve the citizens of Mantua Township within its budget capabilities.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marie Louise Stehli, Fiscal Officer, 3898 Winchell Road, Mantua, Ohio 44255.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 829,072

Total Assets \$ 829,072

Net Assets

Restricted for:

Capital Projects \$ 105,753

Cemetery Bequest Permanent Fund

Expendable 1,667

Nonexpendable 1,101

Unrestricted 720,551

Total Net Assets \$ 829,072

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<u>Governmental Activities</u>						
General Government	\$ 211,742	\$ 11,473	\$ 110	\$ 0	\$ (200,159)	\$ (200,159)
Public Works	419,919	0	120,783	130,356	(168,780)	(168,780)
Public Health Services	20,384	17,056	63	0	(3,265)	(3,265)
Conservation - Recreation	7,000	0	0	0	(7,000)	(7,000)
Other	67,410	0	0	0	(67,410)	(67,410)
Capital Outlay	177,608	0	0	0	(177,608)	(177,608)
Total Governmental Activities	904,063	28,529	120,956	130,356	(624,222)	(624,222)
Total Primary Government	\$ 904,063	\$ 28,529	\$ 120,956	\$ 130,356	(624,222)	(624,222)
<u>General Receipts</u>						
Property Taxes					402,242	402,242
Grants and Entitlements Not Restricted to Special Programs					145,485	145,485
Cable Franchise Fee					20,177	20,177
Earnings on Investments					38,684	38,684
Miscellaneous					1,874	1,874
Total General Receipts					608,462	608,462
Change in Net Assets					(15,760)	(15,760)
Net Assets - Beginning of Year					844,832	844,832
Net Assets - End of Year					\$ 829,072	\$ 829,072

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Road Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Equity in Pooled Cash and Cash Equivalents	\$ 187,308	\$ 97,572	\$ 250,998	\$ 134,091	\$ 159,103	\$ 829,072
Total Assets	<u>\$ 187,308</u>	<u>\$ 97,572</u>	<u>\$ 250,998</u>	<u>\$ 134,091</u>	<u>\$ 159,103</u>	<u>\$ 829,072</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 5,171	\$ 0	\$ 2,642	\$ 18,658	\$ 15,234	\$ 41,705
Unreserved:						
Undesignated), Reported in:						
General Fund	182,137	0	0	0	0	182,137
Special Revenue Funds	0	97,572	248,356	115,433	50,565	511,926
Capital Projects Funds	0	0	0	0	90,536	90,536
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,768</u>	<u>2,768</u>
Total Fund Balances	<u>\$ 187,308</u>	<u>\$ 97,572</u>	<u>\$ 250,998</u>	<u>\$ 134,091</u>	<u>\$ 159,103</u>	<u>\$ 829,072</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General	Gasoline Tax	Road and Bridge	Road Levy	Public Works Commission	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 64,419	\$ 0	\$ 236,203	\$ 101,620	\$ 0	\$ 0	\$ 402,242
Charges for Services	1,773	0	0	0	0	0	1,773
Licenses, Permits, and Fees	20,341	0	0	0	0	16,393	36,734
Intergovernmental	108,170	96,870	27,518	11,512	128,704	23,913	396,687
Earnings on Investments	26,690	4,192	0	0	0	7,802	38,684
Miscellaneous	6,508	0	0	0	0	5,675	12,183
Total Receipts	<u>227,901</u>	<u>101,062</u>	<u>263,721</u>	<u>113,132</u>	<u>128,704</u>	<u>53,783</u>	<u>888,303</u>
Disbursements							
Current:							
General Government	200,801	0	0	0	0	10,941	211,742
Public Works	1,660	78,672	242,398	59,456	0	37,733	419,919
Public Health Services	0	0	0	0	0	20,384	20,384
Conservation - Recreation	7,000	0	0	0	0	0	7,000
Other	0	0	0	67,410	0	0	67,410
Capital Outlay	9,410	0	0	0	128,704	39,494	177,608
Total Disbursements	<u>218,871</u>	<u>78,672</u>	<u>242,398</u>	<u>126,866</u>	<u>128,704</u>	<u>108,552</u>	<u>904,063</u>
Excess of Receipts Over (Under) Disbursements	<u>9,030</u>	<u>22,390</u>	<u>21,323</u>	<u>(13,734)</u>	<u>0</u>	<u>(54,769)</u>	<u>(15,760)</u>
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	4,000	4,000
Transfers Out	(4,000)	0	0	0	0	0	(4,000)
Total Other Financing Sources (Uses)	<u>(4,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0</u>
Net Change in Fund Balances	5,030	22,390	21,323	(13,734)	0	(50,769)	(15,760)
Fund Balances - Beginning of Year	<u>182,278</u>	<u>75,182</u>	<u>229,675</u>	<u>147,825</u>	<u>0</u>	<u>209,872</u>	<u>844,832</u>
Fund Balances - End of Year	<u>\$ 187,308</u>	<u>\$ 97,572</u>	<u>\$ 250,998</u>	<u>\$ 134,091</u>	<u>\$ 0</u>	<u>\$ 159,103</u>	<u>\$ 829,072</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 62,544	\$ 62,544	\$ 64,419	\$ 1,875
Charges for Services	5,000	5,000	1,773	(3,227)
Licenses, Permits, and Fees	18,100	18,100	20,341	2,241
Intergovernmental	83,605	110,605	108,170	(2,435)
Earnings on Investments	20,000	20,000	26,690	6,690
Miscellaneous	<u>16,600</u>	<u>8,600</u>	<u>6,508</u>	<u>(2,092)</u>
Total Receipts	<u>205,849</u>	<u>224,849</u>	<u>227,901</u>	<u>3,052</u>
<u>Disbursements</u>				
Current:				
General Government	246,826	250,185	203,417	46,768
Public Works	1,700	1,700	1,660	40
Public Health Services	3,700	3,700	0	3,700
Conservation - Recreation	10,100	10,100	7,018	3,082
Capital Outlay	<u>74,412</u>	<u>71,053</u>	<u>11,947</u>	<u>59,106</u>
Total Disbursements	<u>336,738</u>	<u>336,738</u>	<u>224,042</u>	<u>112,696</u>
Excess of Receipts Over (Under) Disbursements	<u>(130,889)</u>	<u>(111,889)</u>	<u>3,859</u>	<u>115,748</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>	<u>1,000</u>
Net Change in Fund Balance	(135,889)	(116,889)	(141)	116,748
Fund Balance - Beginning of Year	170,139	170,139	170,139	0
Prior Year Encumbrances Appropriated	<u>12,139</u>	<u>12,139</u>	<u>12,139</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 46,389</u>	<u>\$ 65,389</u>	<u>\$ 182,137</u>	<u>\$ 116,748</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
 PORTAGE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGET BASIS -
 GASOLINE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 96,870	\$ 16,870
Earnings on Investments	<u>2,000</u>	<u>2,000</u>	<u>4,192</u>	<u>2,192</u>
Total Receipts	<u>82,000</u>	<u>82,000</u>	<u>101,062</u>	<u>19,062</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>86,400</u>	<u>86,400</u>	<u>78,672</u>	<u>7,728</u>
Total Disbursements	<u>86,400</u>	<u>86,400</u>	<u>78,672</u>	<u>7,728</u>
Net Change in Fund Balance	(4,400)	(4,400)	22,390	26,790
Fund Balance - Beginning of Year	<u>75,182</u>	<u>75,182</u>	<u>75,182</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 70,782</u>	<u>\$ 70,782</u>	<u>\$ 97,572</u>	<u>\$ 26,790</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 233,298	\$ 233,298	\$ 236,203	\$ 2,905
Intergovernmental	<u>25,000</u>	<u>25,000</u>	<u>27,518</u>	<u>2,518</u>
Total Receipts	<u>258,298</u>	<u>258,298</u>	<u>263,721</u>	<u>5,423</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>299,650</u>	<u>299,650</u>	<u>245,040</u>	<u>54,610</u>
Total Disbursements	<u>299,650</u>	<u>299,650</u>	<u>245,040</u>	<u>54,610</u>
Net Change in Fund Balance	(41,352)	(41,352)	18,681	60,033
Fund Balance - Beginning of Year	222,875	222,875	222,875	0
Prior Year Encumbrance Appropriated	<u>6,800</u>	<u>6,800</u>	<u>6,800</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 188,323</u>	<u>\$ 188,323</u>	<u>\$ 248,356</u>	<u>\$ 60,033</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 97,756	\$ 97,756	\$ 101,620	\$ 3,864
Intergovernmental	<u>11,000</u>	<u>11,000</u>	<u>11,512</u>	<u>512</u>
Total Receipts	<u>108,756</u>	<u>108,756</u>	<u>113,132</u>	<u>4,376</u>
<u>Disbursements</u>				
Current:				
Public Works	167,380	85,780	78,114	7,666
Other	<u>34,178</u>	<u>115,778</u>	<u>67,410</u>	<u>48,368</u>
Total Disbursements	<u>201,558</u>	<u>201,558</u>	<u>145,524</u>	<u>56,034</u>
Net Change in Fund Balance	(92,802)	(92,802)	(32,392)	60,410
Fund Balance - Beginning of Year	107,781	107,781	107,781	0
Prior Year Encumbrance Appropriated	<u>40,044</u>	<u>40,044</u>	<u>40,044</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 55,023</u>	<u>\$ 55,023</u>	<u>\$ 115,433</u>	<u>\$ 60,410</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2007**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 669

Total Assets \$ 669

Net Assets

Restricted for:

Other Purposes \$ 669

Total Net Assets \$ 669

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

The discussion and analysis of Mantua Township's (the Township) financial performance provides an overall review of the Township's financial activities for the fiscal year ended December 31, 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key financial highlights for 2006 are as follows:

- Net assets of governmental activities increased by \$120,490, or 17 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the Road and Bridge Fund.
- The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent, respectively, 46 percent and 43 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed very little compared to 2005.
- Vaughn Road was paved during 2006, but payment on this project has been delayed until 2007. Total cost of this project is expected to be over \$208,000, with 60 percent of the project to be paid by a grant from the Ohio Public Works commission. The Township expects to turn back around \$28,000 to the State for use in another public works project.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and changes in cash position. Keeping in mind the limitations of the cash basis of accounting, the reader can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, the reader should also consider other nonfinancial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources, such as property taxes.

The Township has only the governmental type of activities; thus, the Statement of Activities will show only governmental type activities, which is described below:

Governmental Activities Most of the Township's basic services are reported here, including police, fire, streets, and parks. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds, not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy Fund, the Public Works Commission Fund, and the Mantua Center School Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. This relationship is described in reconciliations presented with the governmental fund financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis.

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 844,832	\$ 724,342
Total Assets	<u>\$ 844,832</u>	<u>\$ 724,342</u>
<u>Net Assets</u>		
Restricted for:		
Capital Outlay	\$ 140,279	\$ 124,962
Other Purposes	1,101	1,101
Unrestricted	<u>703,452</u>	<u>598,279</u>
Total Net Assets	<u>\$ 844,832</u>	<u>\$ 724,342</u>

As mentioned previously, net assets of governmental activities increased by \$120,490, or 17 percent, during 2006. The primary reasons contributing to the increase in cash balances are as follows:

- A shortage of manpower saved significant dollars on salaries and benefits for the year. Additionally, contracts and materials were not used at the usual rate.
- The Public Works project completed in late 2006 has not been paid for.
- Capital projects have been deferred pending work on the Mantua Center School building.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

Table 2 - Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<u>Receipts</u>		
Program Receipts:		
Charges for Services and Sales	\$ 50,389	\$ 52,050
Operating Grants and Contributions	111,803	98,070
Capital Grants and Contributions	<u>122,336</u>	<u>142,755</u>
Total Program Receipts	<u>284,528</u>	<u>292,875</u>
General Receipts:		
Property and Other Local Taxes	387,515	364,186
Grants and Entitlements	125,496	157,684
Interest	35,288	22,058
Miscellaneous	<u>1,732</u>	<u>3,071</u>
Total General Receipts	<u>550,031</u>	<u>546,999</u>
Total Receipts	<u>834,559</u>	<u>839,874</u>
<u>Disbursements</u>		
General Government	194,584	208,075
Public Health Services	21,327	19,811
Public Works	266,718	387,795
Conservation - Recreation	10,017	8,727
Capital Outlay	171,065	164,053
Other	<u>50,358</u>	<u>70,806</u>
Total Disbursements	<u>714,069</u>	<u>859,267</u>
Increase (Decrease) in Net Assets	120,490	(19,393)
Net Assets - January 1	<u>724,342</u>	<u>743,735</u>
Net Assets - December 31	<u>\$ 844,832</u>	<u>\$ 724,342</u>

Program receipts represent only 34 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 66 percent of the Township's total receipts in 2006 and, of this amount, over 70 percent are local taxes. Interest and grants and other receipts make up approximately 30 percent of additional revenues.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. Since these costs do not represent direct services to residents, the Township tries to limit these costs.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

Governmental Activities

In the Statement of Activities, the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for maintenance of roads, which accounts for 38 percent of all governmental disbursements. General government also represents a significant cost, about 27 percent. The next three columns of the statement entitled "Program Receipts" identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The "Net Receipt (Disbursement)" column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3 - Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$ 194,584	\$ (154,546)	\$ 208,075	\$ (167,700)
Public Health Services	21,327	(10,965)	19,811	(5,556)
Public Works	266,718	(32,591)	387,795	(146,969)
Conservation - Recreation	10,017	(10,017)	8,727	(8,727)
Other	50,358	(50,357)	70,807	(70,807)
Capital Outlay	171,065	(171,065)	164,053	(164,053)
Total Expenses	<u>\$ 714,069</u>	<u>\$ (429,541)</u>	<u>\$ 859,268</u>	<u>\$ (563,812)</u>

The dependence upon property and income tax receipts is apparent as over 60 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$834,559 and disbursements of \$714,069. A major change within governmental funds occurred within the Road and Bridge Fund. The fund balance of the road and Bridge Fund increased over \$94,000, due to increased property taxes.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The difference between final budgeted receipts and actual receipts was not significant.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
(Unaudited)**

Final disbursements were budgeted at \$369,456, while actual disbursements were \$253,199. Capital projects budgeted within the General Fund failed to materialize, as uncertainty about the cost of the Mantua Center School project continued into 2007. The Township kept other spending very close to budgeted amounts as demonstrated by the minor reported variances. The fund balance of the General Fund decreased \$65,037 as the result of transfers to the other funds (\$25,000) and work on other capital projects.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently report its capital assets and infrastructure in the financial statements.

Debt

At December 31, 2006, the Township's only debt related to a non-cancelable lease. See Note 11 for more details.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited and, in some cases, shrinking funding. The Township relies heavily on local taxes and has very little industry to support the tax base. The Township reviewed its sources of revenues and determined that increases were unlikely, and also reviewed the disbursement history. The Township will continue to serve its citizens within its budget capabilities.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marie Louise Stehli, Fiscal Officer, 3898 Winchell Road, Mantua, Ohio 44255.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 844,832

Total Assets \$ 844,832

Net Assets

Restricted for:

Capital Projects \$ 140,279

Cemetery Bequest Permanent Fund

Expendable 1,617

Nonexpendable 1,101

Unrestricted 701,835

Total Net Assets \$ 844,832

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Cash	Charges	Operating	Capital	Net (Disbursements) Receipts and Changes in Net Assets	
	<u>Disbursements</u>	<u>for Services and Sales</u>	<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<u>Governmental Activities</u>						
General Government	\$ 194,584	\$ 40,039	\$ 0	\$ 0	\$ (154,545)	\$ (154,545)
Public Works	266,718	0	111,791	122,336	(32,591)	(32,591)
Public Health Services	21,327	10,350	12	0	(10,965)	(10,965)
Conservation - Recreation	10,017	0	0	0	(10,017)	(10,017)
Other	50,358	0	0	0	(50,358)	(50,358)
Capital Outlay	<u>171,065</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(171,065)</u>	<u>(171,065)</u>
Total Governmental Activities	<u>714,069</u>	<u>50,389</u>	<u>111,803</u>	<u>122,336</u>	<u>(429,541)</u>	<u>(429,541)</u>
 <i>Total Primary Government</i>	 <u>\$ 714,069</u>	 <u>\$ 50,389</u>	 <u>\$ 111,803</u>	 <u>\$ 122,336</u>	 <u>(429,541)</u>	 <u>(429,541)</u>
 <u>General Receipts</u>						
Property Taxes					387,515	387,515
Grants and Entitlements Not Restricted to Special Programs					125,496	125,496
Earnings on Investments					35,288	35,288
Miscellaneous					<u>1,732</u>	<u>1,732</u>
Total General Receipts					<u>550,031</u>	<u>550,031</u>
Change in Net Assets					120,490	120,490
Net Assets - Beginning of Year					<u>724,342</u>	<u>724,342</u>
Net Assets - End of Year					<u>\$ 844,832</u>	<u>\$ 844,832</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Road Levy</u>	<u>Mantua Center School</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>							
Equity in Pooled Cash and Cash Equivalents	\$ 182,278	\$ 75,182	\$ 229,675	\$ 147,825	\$ 90,901	\$ 118,971	\$ 844,832
Total Assets	<u>\$ 182,278</u>	<u>\$ 75,182</u>	<u>\$ 229,675</u>	<u>\$ 147,825</u>	<u>\$ 90,901</u>	<u>\$ 118,971</u>	<u>\$ 844,832</u>
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 12,139	\$ 0	\$ 6,800	\$ 40,044	\$ 13,417	\$ 153,700	\$ 226,100
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	170,139	0	0	0	0	0	170,139
Special Revenue Funds	0	75,182	222,875	107,781	0	66,875	472,713
Capital Projects Funds	0	0	0	0	77,484	(104,322)	(26,837)
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,718</u>	<u>2,717</u>
Total Fund Balances	<u>\$ 182,278</u>	<u>\$ 75,182</u>	<u>\$ 229,675</u>	<u>\$ 147,825</u>	<u>\$ 90,901</u>	<u>\$ 118,971</u>	<u>\$ 844,832</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General	Gasoline Tax	Road and Bridge	Road Levy	Public Works Commission	Mantua Center School	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$ 61,239	\$ 0	\$ 221,958	\$ 104,318	\$ 0	\$ 0	\$ 0	\$ 387,515
Charges for Services	7,726	0	0	0	0	0	0	7,726
Licenses, Permits, and Fees	642	0	0	0	0	0	15,138	15,780
Intergovernmental	92,100	88,180	24,152	10,698	120,694	0	23,611	359,635
Earnings on Investments	25,140	2,277	0	0	0	4,442	3,429	35,288
Miscellaneous	26,315	0	0	0	0	0	2,300	28,615
Total Receipts	<u>213,162</u>	<u>90,457</u>	<u>246,110</u>	<u>115,016</u>	<u>120,894</u>	<u>4,442</u>	<u>44,478</u>	<u>834,559</u>
Disbursements								
Current:								
General Government	183,969	0	0	0	0	365	10,250	194,584
Public Works	1,573	60,289	143,143	45,053	0	0	16,660	266,718
Public Health Services	2,068	0	0	0	0	0	19,259	21,327
Conservation - Recreation	10,017	0	0	0	0	0	0	10,017
Other	0	0	0	50,358	0	0	0	50,358
Capital Outlay	43,433	0	1,536	0	120,894	5,202	0	171,065
Total Disbursements	<u>241,060</u>	<u>60,289</u>	<u>144,679</u>	<u>95,411</u>	<u>120,894</u>	<u>5,567</u>	<u>46,169</u>	<u>714,069</u>
Excess of Receipts Over (Under) Disbursements	<u>(27,898)</u>	<u>30,168</u>	<u>101,431</u>	<u>19,605</u>	<u>0</u>	<u>(1,125)</u>	<u>(1,691)</u>	<u>120,490</u>
Other Financing Sources (Uses)								
Transfers In	0	0	0	0	0	0	25,000	25,000
Transfers Out	(25,000)	0	0	0	0	0	0	(25,000)
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balances	(52,898)	30,168	101,431	19,605	0	(1,125)	23,309	120,490
Fund Balances - Beginning of Year	235,176	45,014	128,244	128,220	0	92,026	95,662	724,342
Fund Balances - End of Year	<u>\$ 182,278</u>	<u>\$ 75,182</u>	<u>\$ 229,675</u>	<u>\$ 147,825</u>	<u>\$ 0</u>	<u>\$ 90,901</u>	<u>\$ 118,971</u>	<u>\$ 844,832</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 56,296	\$ 56,296	\$ 61,239	\$ 4,943
Charges for Services	5,000	5,000	7,726	2,726
Licenses, Permits, and Fees	100	100	642	542
Intergovernmental	108,000	108,000	92,100	(15,900)
Earnings on Investments	7,000	15,000	25,140	10,140
Miscellaneous	<u>33,000</u>	<u>25,000</u>	<u>26,315</u>	<u>1,315</u>
Total Receipts	<u>209,396</u>	<u>209,396</u>	<u>213,162</u>	<u>3,766</u>
<u>Disbursements</u>				
Current:				
General Government	257,237	251,737	191,549	60,188
Public Works	1,600	1,800	1,573	227
Public Health Services	6,141	3,950	2,068	1,882
Conservation - Recreation	7,800	11,450	10,017	1,433
Capital Outlay	<u>118,388</u>	<u>100,519</u>	<u>47,992</u>	<u>52,527</u>
Total Disbursements	<u>391,166</u>	<u>369,456</u>	<u>253,199</u>	<u>116,257</u>
Excess of Receipts Over (Under) Disbursements	<u>(181,770)</u>	<u>(160,060)</u>	<u>(40,037)</u>	<u>120,023</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>(24,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(24,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Net Change in Fund Balance	(205,770)	(185,060)	(65,037)	120,023
Fund Balance - Beginning of Year	214,466	214,466	214,466	0
Prior Year Encumbrances Appropriated	<u>20,710</u>	<u>20,710</u>	<u>20,710</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 29,406</u>	<u>\$ 50,116</u>	<u>\$ 170,139</u>	<u>\$ 120,023</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 88,180	\$ 16,180
Earnings on Investments	<u>500</u>	<u>500</u>	<u>2,277</u>	<u>1,777</u>
Total Receipts	<u>72,500</u>	<u>72,500</u>	<u>90,457</u>	<u>17,957</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>84,350</u>	<u>84,350</u>	<u>60,289</u>	<u>24,061</u>
Total Disbursements	<u>84,350</u>	<u>84,350</u>	<u>60,289</u>	<u>24,061</u>
Net Change in Fund Balance	(11,850)	(11,850)	30,168	42,018
Fund Balance - Beginning of Year	<u>45,014</u>	<u>45,014</u>	<u>45,014</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 33,164</u>	<u>\$ 33,164</u>	<u>\$ 75,182</u>	<u>\$ 42,018</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 204,917	\$ 204,917	\$ 221,958	\$ 17,041
Intergovernmental	<u>29,000</u>	<u>29,000</u>	<u>24,152</u>	<u>(4,848)</u>
Total Receipts	<u>233,917</u>	<u>233,917</u>	<u>246,110</u>	<u>12,193</u>
<u>Disbursements</u>				
Current:				
Public Works	325,949	306,963	149,943	157,020
Capital Outlay	<u>5,151</u>	<u>5,000</u>	<u>1,536</u>	<u>3,464</u>
Total Disbursements	<u>331,100</u>	<u>311,963</u>	<u>151,479</u>	<u>160,484</u>
Net Change in Fund Balance	(97,183)	(78,046)	94,631	172,677
Fund Balance - Beginning of Year	109,106	109,106	109,106	0
Prior Year Encumbrance Appropriated	<u>19,138</u>	<u>19,138</u>	<u>19,138</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 31,061</u>	<u>\$ 50,198</u>	<u>\$ 222,875</u>	<u>\$ 172,677</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Property and Other Local Taxes	\$ 93,298	\$ 93,298	\$ 104,318	\$ 11,020
Intergovernmental	<u>13,300</u>	<u>13,300</u>	<u>10,698</u>	<u>(2,602)</u>
Total Receipts	<u>106,598</u>	<u>106,598</u>	<u>115,016</u>	<u>8,418</u>
<u>Disbursements</u>				
Current:				
Public Works	73,214	65,917	50,919	14,998
Other	<u>148,984</u>	<u>96,021</u>	<u>84,536</u>	<u>11,485</u>
Total Disbursements	<u>222,198</u>	<u>161,938</u>	<u>135,455</u>	<u>26,483</u>
Net Change in Fund Balance	(115,600)	(55,340)	(20,439)	34,901
Fund Balance - Beginning of Year	67,960	67,960	67,960	0
Prior Year Encumbrance Appropriated	<u>60,260</u>	<u>60,260</u>	<u>60,260</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 12,620</u>	<u>\$ 72,880</u>	<u>\$ 107,781</u>	<u>\$ 34,901</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2006**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 669

Total Assets \$ 669

Net Assets

Restricted for:

Other Purposes \$ 669

Total Net Assets \$ 669

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

NOTE 1: **REPORTING ENTITY**

Mantua Township, Portage County, Ohio (the Township) is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township is a member of the Mantua-Shalersville Fire District, which provides for fire protection and EMS services. Police protection is provided by the Portage County Sheriff.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and **1)** the Township is able to significantly influence the programs or services performed or provided by the organization; or **2)** the Township is legally entitled to or can otherwise access the organization's resources; **3)** the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; **4)** or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

The financial statements exclude the following entity which performs activities within the Township's boundaries for the benefit of its residents, because the Township is not financially accountable for this entity nor is it fiscally dependent on the Township. The Black Brook Conservancy District is supported by its own tax assessments and is governed by the residents within its jurisdiction.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 1: **REPORTING ENTITY** (Continued)

B. **Component Units** (Continued)

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

C. **Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools**

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain **a)** an ongoing financial interest, or **b)** an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interest in joint ventures.

The Township participates in one jointly governed organization and one public entity risk pool. Notes 13 and 14 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations

The Township participates in one jointly governed organization. This organization is the Mantua-Shalersville Fire District. The Fire District consists of Mantua Township, Mantua Village, and Shalersville Township. The Fire District is supported by its own property tax levies and is governed by a three-member Board of Trustees. One Trustee is appointed by each member community. The Fire District also employs its own Fiscal Officer to oversee its finances.

Public Entity Risk Pool

During 2007 and 2006, the Township contracted with the Ohio Government Risk Management Plan (OGRMP), a risk sharing pool available to Ohio townships. OGRMP provides property and casualty coverage for its members. Members pay premiums to OGRMP, which are forwarded to re-insurers of the plan. OGRMP pays judgments, settlements, and other expenses resulting from covered claims that exceed the Member's deductible.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted (GAAP) in the United States of America. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies:

A. Basis of Presentation

The Township's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township does not have any business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Township at year-end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

Fund Financial Statements During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. **Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories: governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy Fund, the Public Works Commission Fund, and the Mantua Center School Fund (2006). The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax Fund revenues come from gas tax sales within Ohio. The Township uses this fund to pay the salaries of the road crew. The Road and Bridge Fund and the Road Levy Fund revenues are derived from property taxes collected. These funds account for the major operations of the Road Department, and represent over 40 percent of the funds expended for Township operations. The Public Works Commission Fund accounts for monies paid to contractors by the Ohio Public Works Commission on behalf of the Township. The Mantua Center School Fund (2006) accounts for monies used to purchase and remodel the Mantua Center Elementary School into a new Mantua Township Administration Building.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township does not have any trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Township's agency fund accounts for Fire and Property insurance proceeds held in accordance with the Ohio Revised Code.

C. **Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when the liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities are not recorded in these financial statements.

D. **Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund level for all funds.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Budgetary Process** (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township's Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. **Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments are reported 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 negative receipts, respectively.

During 2007 and 2006, the Township invested in a money market mutual fund containing the remaining proceeds of Certificates of Participation used to finance the purchase and remodeling of the Mantua Center School building. The Township's money market mutual fund investment is recorded at the amount reported by the Bank of New York on December 31, 2007 and December 31, 2006.

Earnings on investments are allocated to Township funds according to State statutes. Earning receipts credited to the General Fund during 2007 and 2006 were \$26,690 and \$25,140, respectively.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Restricted Assets**

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts set aside for the purchase of a new truck for the Road Department in the Miscellaneous Capital Projects Fund.

G. **Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. **Capital Assets**

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

I. **Accumulated Leave**

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

J. **Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, employer contributions include portions for pension benefits and for post-retirement health care benefits.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for the purchase of a new truck for the Road Department. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. These reserves exist in the Cemetery Bequest funds. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances outstanding at year end.

M. Interfund Transactions

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items for 2007 or 2006.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual - Budgetary Basis presented for the General Fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2007 (budgetary basis) amounted to \$5,171 for the General Fund, \$2,642 for the Road and Bridge Fund, and \$18,658 for the Road Levy Fund. The encumbrance outstanding at December 31, 2006, amounted to \$12,139 for the General Fund, \$6,800 for the Road and Bridge Fund, \$40,044 for the Road Levy Fund, and \$13,417 for the Mantua Center School Fund.

NOTE 4: DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active deposits are public monies determined to be necessary to meet current demands on the Township treasury. Active monies must be maintained either as cash in the Township Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 4: **DEPOSITS AND INVESTMENTS** (Continued)

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end 2007 and 2006, the Township had no undeposited cash on hand.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 4: **DEPOSITS AND INVESTMENTS** (Continued)

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, the carrying amount of the Township's deposits was \$829,741, and the bank balance was \$844,490. Of the bank balance, \$193,305 was covered by Federal Depository Insurance and the rest was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At December 31, 2006, the total amount of the Township's deposits was \$845,501, and the bank balance was \$861,954. Of the bank balance, \$241,489 was covered by Federal Depository Insurance and the rest was collateralized. Although all State statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

If the Township had investment securities at the end of the year that are exposed to custodial credit risk, it would disclose the investment's type, the reported amount, and how the investments are held. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities include securities underlying repurchase agreements and investment securities.

At December 31, 2007 and December 31, 2006, the Township had no investments.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 5: PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and October 1, 2005, on the assessed values as of January 1, 2006 and January 1, 2005, the lien dates. Assessed values for real property taxes are established by State Statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 and 2006 became a lien on December 31, 2006 and December 31, 2005, were levied after October 1, 2006 and October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and October 1, 2005, on the true value as of December 31, 2006 and December 31, 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2007 and December 31, 2006, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property:		
Residential and Agricultural	\$ 91,586,780	\$ 93,991,390
Manufactured Homes	630,983	622,665
Commercial/Industrial/Mineral	6,303,480	6,486,690
Tangible Personal Property	4,166,175	2,710,040
Public Utility	<u>2,638,020</u>	<u>2,515,190</u>
Total Assessed Value	<u>\$105,325,438</u>	<u>\$106,325,975</u>

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 6: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. During 2007 and 2006, the Township contracted with the Ohio Government Risk Management Plan (OGRMP), a risk sharing pool available to Ohio townships. OGRMP provides property and casualty coverage for its members. Members pay premiums to OGRMP, which are forwarded to re-insurers of the plan. OGRMP pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OGRMP is as follows:

Legal Liability	\$2,000,000	Per Occurrence
Automobile Liability	2,000,000	Per Occurrence
Wrongful Acts	2,000,000	Per Occurrence
Property	1,078,436	Total Coverage
Boiler and Machinery	1,078,436	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township purchases health insurance from Medical Mutual. It also provides dental, vision, and life insurance to full time employees and elected officials.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-800-222-7377 or by using the OPERS website at www.opers.org.

For the years ended December 31, 2007 and December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the Traditional Plan, were required to contribute 9.5 and 9.0 percent, respectively, of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 and 2006 was 13.85 percent and 13.7 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the Traditional and Combined plans for the years ended December 31, 2007, 2006, and 2005, were \$18,610, \$15,408, and \$18,705, respectively. The full amount has been contributed for 2007, 2006, and 2005.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 8: POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional or Combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage.

The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the Traditional or Combined plans is set aside for the funding of post-retirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 percent and 13.7 percent, respectively, of covered payroll. 6 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 5 percent annually for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

As of December 31, 2007, the number of active contributing participants in the Traditional Pension and Combined plans totaled 374,979. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006 (the latest information available) was \$12.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

Ohio Public Employees Retirement System (Continued)

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 9: **DEBT**

The Township has no long-term debt.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt issued without a vote of the electors, shall never exceed 5.5 percent of the tax valuation of the Township. The Ohio Revised Code further provides that total voted and unvoted net debt of the Township, less the same exempt debt, shall never exceed the amount equal to 10.5 percent of its tax valuation.

NOTE 10: **LEASES**

The Township leases the Mantua Center School from the Ohio Township Leasing Corporation under a non-cancelable lease. The Township disbursed \$35,040 and \$35,665 to pay lease costs for the years ended December 31, 2007 and December 2006, respectively. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 34,103
2009	33,165
2010	32,228
2011	31,290
2012	35,140
2013-2014	<u>66,140</u>
Total	<u>\$ 232,066</u>

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 11: INTERFUND TRANSFERS

During 2007 and 2006, the following transfers were made:

	<u>2007</u>	<u>2006</u>
Transfers from the General Fund to:		
Capital Projects	\$ 0	\$ 15,000
Cemetery Fund	4,000	6,000
Zoning Fund	0	4,000
Total Transfers from the General Fund	<u>\$ 4,000</u>	<u>\$ 25,000</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 12: JOINTLY GOVERNED ORGANIZATIONS

The Township participates in one jointly governed organization. This organization is the Mantua-Shalersville Fire District. This Fire District consists of Mantua Township, Mantua Village, and Shalersville Township. The Fire District is supported by its own property tax levies and is governed by a three-member Board of Trustees. One Trustee is appointed by each member community. The Fire District also employs its own Fiscal Officer to oversee its finances.

NOTE 13: PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Government Risk Management Plan (the “Plan”), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments (“Members”).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each Member’s needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the Member’s deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except for the 15 percent casualty and the 10 percent property portions the Plan retains. The Plan pays the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)**

NOTE 13: **PUBLIC ENTITY RISK POOL** (Continued)

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a Member chooses not to renew with the Plan, they have no other obligation to the Plan. The former Member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained earnings at December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$ 9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Members' Equity	<u>\$ 6,862,902</u>	<u>\$ 6,290,528</u>

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To Board of Trustees
Mantua Township, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Ohio, as of and for the years ended December 31, 2007 and 2006, which collectively comprise Mantua Township, Ohio's basic financial statements and have issued our report thereon dated December 2, 2008, in which it was noted the Township prepared its financial statements on a cash basis of accounting, which is a basis other 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 *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 Mantua Township, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mantua Township, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mantua Township, Ohio's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Mantua Township, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of Mantua Township, Ohio's financial statements that is more than inconsequential will not be prevented or detected by Mantua Township, Ohio's internal control.

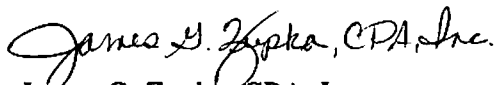
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Mantua Township, Ohio's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mantua Township, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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


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

December 2, 2008

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

The prior audit report, as of December 31, 2005, included no citations. Management letter recommendations have been corrected and procedures instituted to prevent occurrences in this audit period.



Mary Taylor, CPA
Auditor of State

MANTUA 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
DECEMBER 31, 2008**