

**MANTUA TOWNSHIP, OHIO
PORTAGE COUNTY**

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of Mantua Township, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2008 through December 31, 2009. 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

April 12, 2010

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**MANTUA TOWNSHIP, OHIO
PORTAGE COUNTY
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT ACCOUNTANTS' 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, Portage County, Ohio, as of and for the years ended December 31, 2009 and 2008, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow 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, 2009 and 2008, 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 basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2010, on our consideration of Mantua Township, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures consisting principally of inquiries of management regarding the methods of measuring and presenting 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

February 15, 2010

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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, 2009, 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 2009 are as follows:

- Net assets of governmental activities decreased by \$68,776, a 9 percent change from the prior year. The cash and cash equivalents in the Road and Bridge Fund decreased by \$39,733. The Road Levy Fund increased by \$63,516. The General Fund decreased by \$27,021 and the Gasoline Tax Fund decreased by \$7,428 and the balance of the decrease was reported in other governmental funds.
- The Township's general receipts are primarily from property taxes and intergovernmental revenues. These receipts represent, respectively, 52 and 38 percent of the total cash received for governmental activities during the year. Property tax receipts for 2009 increased by just over \$11,000 compared to 2008. Cable franchise fees made up approximately 18 percent of General Fund receipts in 2009. During 2009, the cable company switched from paying franchise fees on an annual basis to a quarterly basis. Consequently, the cable franchise fees received represent fees for both 2008 and 2009 cable sales. Local Government Distribution funds made up 20 percent of General Fund revenues in 2009 and are expected to continue to decrease as State revenues decrease in subsequent years.
- 2009 interest fell flat and did not reach 15 percent of any of its budgeted accounts.
- The major funds all received within 10 percent of budgeted revenues for the year. The General Fund and the Gasoline Tax Fund fell slightly short of budget, while the Road and Bridge Fund and the Road Levy Fund each exceeded budgeted revenues. The final Gasoline Tax Fund distribution for 2009 was not received until 2010.
- Two paving projects were completed during 2009, both with major funding through the Ohio Public Works Commission. Woodhollow and Timber Pointe Trail were paved in the spring, while the subdivision comprised of Hillcrest, Coldbrook, Ambler, and Fernway roads were paved in the fall. The fall project was funded 70 percent by the State of Ohio. These funds have not yet been disbursed. Disbursal is expected in early 2010.
- In October 2009, Township Trustee Steve Oros passed away after an extended illness. Trustee Mark Hall was appointed to fulfill Steve's unexpired term.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

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.

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.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2009, 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 activities; thus, the Statement of Activities will show only governmental activities, which are 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.

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 governmental funds.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Governmental Funds All 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, and the Road Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 707,166	\$ 775,942
Total Assets	<u>\$ 707,166</u>	<u>\$ 775,942</u>
<u>Net Assets</u>		
Restricted for:		
Capital Outlay	\$ 25,945	\$ 100,923
Cemetery Bequest Permanent Fund	2,780	2,803
Other Purposes	515,466	482,220
Unrestricted	<u>162,975</u>	<u>189,996</u>
Total Net Assets	<u>\$ 707,166</u>	<u>\$ 775,942</u>

As mentioned previously, net assets of governmental activities decreased by \$68,776, or 9 percent, during 2009. The primary reasons contributing to the changes in cash balances are as follows:

- General Fund revenues came within 2 percent of budgeted, mainly due to the increase in cable franchise fees. Additional chargebacks by the State of Ohio, the Regional Planning Commission, and the Health Department, as well as necessary transfers into the Zoning Fund forced strict controls over the General Fund budget.
- The Civic Center underwent major repairs so the facility would meet the standards set by the Secretary of State. Polling places were once again established in the building.
- Capital projects have been deferred, pending work on the Mantua Center School building.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

- The Road and Bridge Fund experienced a budget increase, as two public works projects were funded in 2009.
- The Capital Equipment Fund was materially depleted in 2009 due to the purchase of a new backhoe, which replaced a 16 year old backhoe. The backhoe was purchased on the State Purchasing Program, which saved the Township 46 percent of the purchase price.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities.

Table 2 - Change in Net Assets

	Governmental Activities	
	2009	2008
<u>Receipts</u>		
Program Receipts:		
Charges for Services and Sales	\$ 35,521	\$ 25,890
Operating Grants and Contributions	110,735	111,969
Capital Grants and Contributions	<u>63,455</u>	<u>1,628</u>
Total Program Receipts	<u>209,711</u>	<u>139,487</u>
General Revenues:		
Property and Other Local Taxes	406,267	395,245
Grants and Entitlements not Restricted to Specific Program	122,645	128,616
Interest	1,734	19,059
Miscellaneous	<u>47,457</u>	<u>25,464</u>
Total General Receipts	<u>578,103</u>	<u>568,384</u>
Total Receipts	<u>787,814</u>	<u>707,871</u>
<u>Disbursements</u>		
General Government	216,793	215,720
Public Health Services	23,345	18,408
Public Works	415,001	392,921
Conservation/Recreation	9,910	9,083
Other	0	80,918
Capital Outlay	<u>191,541</u>	<u>44,620</u>
Total Disbursements	<u>856,590</u>	<u>761,670</u>
Excess (Deficiency) before Transfers	(68,776)	(53,799)
Transfers	<u>0</u>	<u>669</u>
Increase (Decrease) in Net Assets	(68,776)	(53,130)
Net Assets - January 1	<u>775,942</u>	<u>829,072</u>
Net Assets - December 31	<u>\$ 707,166</u>	<u>\$ 775,942</u>

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Program receipts represent only 27 percent of total governmental receipts in 2009 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax monies.

General receipts represent 73 percent of the Township's total receipts and, of this amount, over 70 percent are local taxes. Estate taxes 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.

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 48 percent of all governmental disbursements. Capital Outlay, which is predominantly road paving, represents another 22 percent of disbursements, while General Government also represents a significant cost, about 25 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 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 216,793	\$ (204,827)	\$ 215,720	\$ (204,575)
Public Health Services	23,345	217	18,408	(3,592)
Public Works	415,001	(240,818)	392,921	(279,395)
Conservation/Recreation	9,910	(9,910)	9,083	(9,083)
Other	0	0	80,918	(80,918)
Capital Outlay	191,541	(191,541)	44,620	(44,620)
Total Expenses	<u>\$ 856,590</u>	<u>\$ (646,879)</u>	<u>\$ 761,670</u>	<u>\$ (622,183)</u>

The dependence upon property tax receipts is apparent, as approximately 47 percent of governmental activities are supported through these general receipts.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

The Township's Funds

Total governmental funds had receipts of \$787,814 and disbursements of \$856,590. The greatest change within governmental funds occurred within the Road Levy Fund.

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.

Actual budgeted receipts were slightly below budgeted receipts, due mainly to decreased interest rates.

Final disbursements were budgeted at \$354,330, while actual disbursements were \$266,727. Capital projects budgeted within the General Fund were completed in the Civic Center, where voting was reinstated, and in the Cemetery, where the back portion was opened. Uncertainty regarding upcoming revenues and additional unfunded mandated expenses in the General Fund forced the Township to keep other spending below budgeted amounts as demonstrated by the reported variances. The General Fund also had to supplement the Zoning Fund by \$10,000, decreasing monies available for general projects. The fund balance of the General Fund decreased by \$29,604.

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, 2009, the Township had no debt.

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. As Ohio and the United States continue in the current economic downturn, the Township will continue to serve the citizens of Mantua Township within its budget capabilities. Thus far the Township has been able to continue its level of service without significant cuts and without layoffs or furloughs. The Township expects to be able to continue to be fiscally conservative and maintain its services.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Contacting the Township's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors, and creditors of Mantua Township 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, 2009**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 707,166

Total Assets **\$ 707,166**

Net Assets

Restricted for:

 Capital Projects \$ 25,945

 Cemetery Bequest Permanent Fund

 Expendable 1,679

 Nonexpendable 1,101

 Other Purposes 515,466

Unrestricted 162,975

Total Net Assets **\$ 707,166**

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	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	\$ 216,793	\$ 11,966	\$ 0	\$ 0	\$ (204,827)	\$ (204,827)
Public Works	415,001	0	110,728	63,455	(240,818)	(240,818)
Public Health Services	23,345	23,555	7	0	217	217
Conservation - Recreation	9,910	0	0	0	(9,910)	(9,910)
Capital Outlay	<u>191,541</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(191,541)</u>	<u>(191,541)</u>
Total Governmental Activities	<u>856,590</u>	<u>35,521</u>	<u>110,735</u>	<u>63,455</u>	<u>(646,879)</u>	<u>(646,879)</u>
<u>Total Primary Government</u>	<u>\$ 856,590</u>	<u>\$ 35,521</u>	<u>\$ 110,735</u>	<u>\$ 63,455</u>	<u>(646,879)</u>	<u>(646,879)</u>
<u>General Receipts</u>						
Property Taxes					406,267	406,267
Grants and Entitlements Not Restricted to Specific Programs					122,645	122,645
Cable Franchise Fee					44,821	44,821
Earnings on Investments					1,734	1,734
Miscellaneous					<u>2,636</u>	<u>2,636</u>
Total General Receipts					<u>578,103</u>	<u>578,103</u>
Change in Net Assets					(68,776)	(68,776)
Net Assets - Beginning of Year					<u>775,942</u>	<u>775,942</u>
Net Assets - End of Year					<u>\$ 707,166</u>	<u>\$ 707,166</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<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	\$ 162,975	\$ 88,369	\$ 194,104	\$ 158,299	\$ 103,419	\$ 707,166
Total Assets	<u>\$ 162,975</u>	<u>\$ 88,369</u>	<u>\$ 194,104</u>	<u>\$ 158,299</u>	<u>\$ 103,419</u>	<u>\$ 707,166</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 2,583	\$ 0	\$ 8,586	\$ 6,737	\$ 360,601	\$ 378,507
Reserved for Cemetery Bequest	0	0	0	0	1,101	1,101
Unreserved:						
Undesignated (Deficit) Reported in:						
General Fund	160,392	0	0	0	0	160,392
Special Revenue Funds	0	88,369	185,518	151,562	74,674	500,123
Capital Projects Funds	0	0	0	0	(334,636)	(334,636)
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,679</u>	<u>1,679</u>
Total Fund Balances	<u>\$ 162,975</u>	<u>\$ 88,369</u>	<u>\$ 194,104</u>	<u>\$ 158,299</u>	<u>\$ 103,419</u>	<u>\$ 707,166</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, 2009**

	General	Gasoline Tax	Road and Bridge	Road Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 106,661	\$ 0	\$ 197,432	\$ 102,174	\$ 0	\$ 406,267
Charges for Services	4,742	0	0	0	0	4,742
Licenses, Permits, and Fees	44,886	0	0	0	16,420	61,306
Intergovernmental	81,652	89,867	27,390	13,603	84,185	296,697
Earnings on Investments	1,347	236	0	0	289	1,872
Miscellaneous	7,835	0	0	0	9,095	16,930
Total Receipts	<u>247,123</u>	<u>90,103</u>	<u>224,822</u>	<u>115,777</u>	<u>109,989</u>	<u>787,814</u>
Disbursements						
Current:						
General Government	207,005	0	0	0	9,788	216,793
Public Works	1,589	97,531	252,611	52,261	11,009	415,001
Public Health Services	4,476	0	0	0	18,869	23,345
Conservation - Recreation	9,910	0	0	0	0	9,910
Capital Outlay	41,164	0	11,944	0	138,433	191,541
Total Disbursements	<u>264,144</u>	<u>97,531</u>	<u>264,555</u>	<u>52,261</u>	<u>178,099</u>	<u>856,590</u>
Excess of Receipts Over (Under) Disbursements	<u>(17,021)</u>	<u>(7,428)</u>	<u>(39,733)</u>	<u>63,516</u>	<u>(68,110)</u>	<u>(68,776)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	10,000	10,000
Transfers Out	(10,000)	0	0	0	0	(10,000)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balances	<u>(27,021)</u>	<u>(7,428)</u>	<u>(39,733)</u>	<u>63,516</u>	<u>(58,110)</u>	<u>(68,776)</u>
Fund Balances - Beginning of Year	<u>189,996</u>	<u>95,797</u>	<u>233,837</u>	<u>94,783</u>	<u>161,529</u>	<u>775,942</u>
Fund Balances - End of Year	<u>\$ 162,975</u>	<u>\$ 88,369</u>	<u>\$ 194,104</u>	<u>\$ 158,299</u>	<u>\$ 103,419</u>	<u>\$ 707,166</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, 2009**

	<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	\$ 103,183	\$ 103,183	\$ 106,661	\$ 3,478
Charges for Services	5,000	5,000	4,742	(258)
Licenses, Permits, and Fees	23,100	23,100	44,886	21,786
Intergovernmental	100,944	100,944	81,652	(19,292)
Earnings on Investments	10,000	10,000	1,347	(8,653)
Miscellaneous	8,600	8,600	7,835	(765)
Total Receipts	<u>250,827</u>	<u>250,827</u>	<u>247,123</u>	<u>(3,704)</u>
<u>Disbursements</u>				
Current:				
General Government	276,816	265,555	209,542	56,013
Public Works	1,700	1,700	1,589	111
Public Health Services	11,450	5,198	4,476	722
Conservation - Recreation	10,221	11,675	9,910	1,765
Capital Outlay	<u>54,143</u>	<u>70,202</u>	<u>41,210</u>	<u>28,992</u>
Total Disbursements	<u>354,330</u>	<u>354,330</u>	<u>266,727</u>	<u>87,603</u>
Excess of Receipts Over (Under) Disbursements	<u>(103,503)</u>	<u>(103,503)</u>	<u>(19,604)</u>	<u>83,899</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>(18,500)</u>	<u>(18,500)</u>	<u>(10,000)</u>	<u>8,500</u>
Total Other Financing Sources (Uses)	<u>(18,500)</u>	<u>(18,500)</u>	<u>(10,000)</u>	<u>8,500</u>
Net Change in Fund Balance	(122,003)	(122,003)	(29,604)	92,399
Fund Cash Balance - Beginning of Year	173,869	173,869	173,869	0
Prior Year Encumbrances Appropriated	<u>16,127</u>	<u>16,127</u>	<u>16,127</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 67,993</u>	<u>\$ 67,993</u>	<u>\$ 160,392</u>	<u>\$ 92,399</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, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Intergovernmental	\$ 97,000	\$ 97,000	\$ 89,867	\$ (7,133)
Earnings on Investments	<u>2,000</u>	<u>2,000</u>	<u>236</u>	<u>(1,764)</u>
Total Receipts	<u>99,000</u>	<u>99,000</u>	<u>90,103</u>	<u>(8,897)</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>144,500</u>	<u>144,500</u>	<u>97,531</u>	<u>46,969</u>
Total Disbursements	<u>144,500</u>	<u>144,500</u>	<u>97,531</u>	<u>46,969</u>
Net Change in Fund Balance	(45,500)	(45,500)	(7,428)	38,072
Fund Balance - Beginning of Year	<u>95,797</u>	<u>95,797</u>	<u>95,797</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 50,297</u>	<u>\$ 50,297</u>	<u>\$ 88,369</u>	<u>\$ 38,072</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 -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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	\$ 191,809	\$ 191,809	\$ 197,432	\$ 5,623
Intergovernmental	<u>22,000</u>	<u>22,000</u>	<u>27,390</u>	<u>5,390</u>
Total Receipts	<u>213,809</u>	<u>213,809</u>	<u>224,822</u>	<u>11,013</u>
<u>Disbursements</u>				
Current:				
Public Works	385,957	382,582	261,197	121,385
Capital Outlay	<u>8,844</u>	<u>12,219</u>	<u>11,944</u>	<u>275</u>
Total Disbursements	<u>394,801</u>	<u>394,801</u>	<u>273,141</u>	<u>121,660</u>
Net Change in Fund Balance	(180,992)	(180,992)	(48,319)	132,673
Fund Balance - Beginning of Year	229,176	229,176	229,176	0
Prior Year Encumbrance Appropriated	<u>4,661</u>	<u>4,661</u>	<u>4,661</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 52,845</u>	<u>\$ 52,845</u>	<u>\$ 185,518</u>	<u>\$ 132,673</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, 2009**

	<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	\$ 97,271	\$ 97,271	\$ 102,174	\$ 4,903
Intergovernmental	<u>11,000</u>	<u>11,000</u>	<u>13,603</u>	<u>2,603</u>
Total Receipts	<u>108,271</u>	<u>108,271</u>	<u>115,777</u>	<u>7,506</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>152,154</u>	<u>152,154</u>	<u>58,998</u>	<u>93,156</u>
Total Disbursements	<u>152,154</u>	<u>152,154</u>	<u>58,998</u>	<u>93,156</u>
Net Change in Fund Balance	(43,883)	(43,883)	56,779	100,662
Fund Balance - Beginning of Year	88,583	88,583	88,583	0
Prior Year Encumbrance Appropriated	<u>6,200</u>	<u>6,200</u>	<u>6,200</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 50,900</u>	<u>\$ 50,900</u>	<u>\$ 151,562</u>	<u>\$ 100,662</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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, 2008, 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 2008 are as follows:

- Net assets of governmental activities decreased by \$53,130, a 6 percent change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Road Levy Fund, which decreased by \$39,308. The Road and Bridge Fund also decreased by \$17,161. The other major funds varied in cash value by under \$3,000 each.
- The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent, respectively, 56 percent and 34 percent of the total cash received for governmental activities during the year. Property tax receipts for 2008 decreased by almost \$7,000 compared to 2007. Cable franchise fees made up approximately 9 percent of General Fund receipts in 2008. Local Government Distribution funds made up 22 percent of General Fund receipts in 2008, but are expected to decrease as State revenues decrease.
- The major funds all received within 4 percent of budgeted revenues for the year.
- Townline Road was paved as a joint project with the City of Aurora, which handled the contracting and Public Works grants for this project. The Township's share of this project was \$162,350. No other Public Works projects were completed during 2008.

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, 2008
(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 2008, 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 activities; thus, the Statement of Activities will show only governmental activities, which is described below:

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

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.

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, and the Road Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide 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. The Township's fiduciary fund was eliminated in December 2008.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis.

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 775,942	\$ 829,072
Total Assets	<u>\$ 775,942</u>	<u>\$ 829,072</u>
<u>Net Assets</u>		
Restricted for:		
Capital Outlay	\$ 100,924	\$ 105,753
Cemetery Bequest Permanent Fund	2,803	0
Other Purposes	482,219	2,768
Unrestricted	<u>189,996</u>	<u>720,551</u>
Total Net Assets	<u>\$ 775,942</u>	<u>\$ 829,072</u>

As mentioned previously, net assets of governmental activities decreased by \$53,130, or 6 percent, during 2008. The primary reasons contributing to the changes in cash balances are as follows:

- Revenues averaged 2 to 3 percent under budget for 2008, while expenses for natural gas, motor fuel, asphalt, and road salt all increased significantly. Road projects were deferred, pending award of grant money from the Ohio Public Works Commission.
- 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 2008 and 2007 for governmental activities.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

Table 2 - Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
<u>Receipts</u>		
Program Receipts:		
Charges for Services and Sales	\$ 25,890	\$ 28,529
Operating Grants and Contributions	111,969	120,956
Capital Grants and Contributions	<u>1,628</u>	<u>130,356</u>
Total Program Receipts	<u>139,487</u>	<u>279,841</u>
General Receipts:		
Property and Other Local Taxes	395,245	402,242
Grants and Entitlements not Restricted to Specific Programs	128,616	145,485
Interest	19,059	38,684
Miscellaneous	<u>26,133</u>	<u>22,051</u>
Total General Receipts	<u>569,053</u>	<u>608,462</u>
Total Receipts	<u>708,540</u>	<u>888,303</u>
<u>Disbursements</u>		
General Government	215,720	211,742
Public Health Services	18,408	20,384
Public Works	392,921	419,919
Conservation - Recreation	9,083	7,000
Capital Outlay	44,620	177,608
Other	<u>80,918</u>	<u>67,410</u>
Total Disbursements	<u>761,670</u>	<u>904,063</u>
Increase (Decrease) in Net Assets	(53,130)	(15,760)
Net Assets - January 1	<u>829,072</u>	<u>844,832</u>
Net Assets - December 31	<u>\$ 775,942</u>	<u>\$ 829,072</u>

Program receipts represent only 20 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 80 percent of the Township's total receipts and, of this amount, over 69 percent are property taxes. Interest, estate tax, and other receipts make up approximately 31 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, 2008
(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 52 percent of all governmental disbursements. General government also represents a significant cost, about 28 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 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$ 215,720	\$ (204,575)	\$ 211,742	\$ (200,159)
Public Health Services	18,408	(3,592)	20,384	(3,265)
Public Works	392,921	(279,395)	419,919	(168,780)
Conservation - Recreation	9,083	(9,083)	7,000	(7,000)
Other	80,918	(80,918)	67,410	(67,410)
Capital Outlay	44,620	(44,620)	177,608	(177,608)
Total Expenses	<u>\$ 761,670</u>	<u>\$ (622,183)</u>	<u>\$ 904,063</u>	<u>\$ (624,222)</u>

The dependence upon property tax receipts is apparent as over 52 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$708,540 and disbursements of \$761,670. The greatest change within governmental funds occurred within the Road Levy Fund.

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.

Actual receipts were slightly below budgeted receipts, mainly due to decreased interest rates.

**MANTUA TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Unaudited)**

Final disbursements were budgeted at \$328,982, while actual disbursements were \$240,174. Capital outlay budgeted within the General Fund failed to materialize, as uncertainty about the cost of the Mantua Center School project continued into 2008. 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 \$13,439.

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, 2008, the Township had no debt.

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 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, 2008**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 775,942

Total Assets **\$ 775,942**

Net Assets

Restricted for:

Capital Projects \$ 100,924

Cemetery Bequest Permanent Fund

 Expendable 1,702

 Nonexpendable 1,101

Other Purposes 482,219

Unrestricted 189,996

Total Net Assets **\$ 775,942**

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	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	\$ 215,720	\$ 11,145	\$ 0	\$ 0	\$ (204,575)	\$ (204,575)
Public Works	392,921	0	111,898	1,628	(279,395)	(279,395)
Public Health Services	18,408	14,745	71	0	(3,592)	(3,592)
Conservation - Recreation	9,083	0	0	0	(9,083)	(9,083)
Other	80,918	0	0	0	(80,918)	(80,918)
Capital Outlay	44,620	0	0	0	(44,620)	(44,620)
Total Governmental Activities	<u>761,670</u>	<u>25,890</u>	<u>111,969</u>	<u>1,628</u>	<u>(622,183)</u>	<u>(622,183)</u>
Total Primary Government	<u>\$ 761,670</u>	<u>\$ 25,890</u>	<u>\$ 111,969</u>	<u>\$ 1,628</u>	<u>(622,183)</u>	<u>(622,183)</u>
<u>General Receipts</u>						
Property Taxes					395,245	395,245
Grants and Entitlements Not Restricted to Specific Programs					128,616	128,616
Cable Franchise Fee					22,744	22,744
Earnings on Investments					19,059	19,059
Miscellaneous					3,389	3,389
Total General Receipts					<u>569,053</u>	<u>569,053</u>
Change in Net Assets					(53,130)	(53,130)
Net Assets - Beginning of Year					<u>829,072</u>	<u>829,072</u>
Net Assets - End of Year					<u>\$ 775,942</u>	<u>\$ 775,942</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<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	\$ 189,996	\$ 95,797	\$ 233,837	\$ 94,783	\$ 161,529	\$ 775,942
Total Assets	<u>\$ 189,996</u>	<u>\$ 95,797</u>	<u>\$ 233,837</u>	<u>\$ 94,783</u>	<u>\$ 161,529</u>	<u>\$ 775,942</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 16,127	\$ 0	\$ 4,661	\$ 6,200	\$ 6,417	\$ 33,405
Reserved for Cemetery Bequest	0	0	0	0	1,101	1,101
Unreserved:						
Undesignated Reported in:						
General Fund	173,869	0	0	0	0	173,869
Special Revenue Funds	0	95,797	229,176	88,583	57,802	471,358
Capital Projects Funds	0	0	0	0	94,507	94,507
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,702</u>	<u>1,702</u>
Total Fund Balances	<u>\$ 189,996</u>	<u>\$ 95,797</u>	<u>\$ 233,837</u>	<u>\$ 94,783</u>	<u>\$ 161,529</u>	<u>\$ 775,942</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, 2008**

	General	Gasoline Tax	Road and Bridge	Road Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 114,152	\$ 0	\$ 181,227	\$ 99,866	\$ 0	\$ 395,245
Charges for Services	2,882	0	0	0	0	2,882
Licenses, Permits, and Fees	22,751	0	0	0	13,324	36,075
Intergovernmental	91,659	88,286	23,915	13,042	23,612	240,514
Earnings on Investments	14,824	2,340	0	0	3,593	20,757
Miscellaneous	7,967	0	0	0	5,100	13,067
Total Receipts	<u>254,235</u>	<u>90,626</u>	<u>205,142</u>	<u>112,908</u>	<u>45,629</u>	<u>708,540</u>
Disbursements						
Current:						
General Government	204,063	0	0	0	11,657	215,720
Public Works	1,707	92,401	211,948	71,298	15,567	392,921
Public Health Services	2,229	0	0	0	16,179	18,408
Conservation - Recreation	9,083	0	0	0	0	9,083
Other	0	0	0	80,918	0	80,918
Capital Outlay	6,965	0	10,355	0	27,300	44,620
Total Disbursements	<u>224,047</u>	<u>92,401</u>	<u>222,303</u>	<u>152,216</u>	<u>70,703</u>	<u>761,670</u>
Excess of Receipts Over (Under) Disbursements	<u>30,188</u>	<u>(1,775)</u>	<u>(17,161)</u>	<u>(39,308)</u>	<u>(25,074)</u>	<u>(53,130)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	27,500	27,500
Transfers Out	(27,500)	0	0	0	0	(27,500)
Total Other Financing Sources (Uses)	<u>(27,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,500</u>	<u>0</u>
Net Change in Fund Balances	2,688	(1,775)	(17,161)	(39,308)	2,426	(53,130)
Fund Balances - Beginning of Year	<u>187,308</u>	<u>97,572</u>	<u>250,998</u>	<u>134,091</u>	<u>159,103</u>	<u>829,072</u>
Fund Balances - End of Year	<u>\$ 189,996</u>	<u>\$ 95,797</u>	<u>\$ 233,837</u>	<u>\$ 94,783</u>	<u>\$ 161,529</u>	<u>\$ 775,942</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, 2008**

	<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	\$ 114,940	\$ 114,940	\$ 114,152	\$ (788)
Charges for Services	5,000	5,000	2,882	(2,118)
Licenses, Permits, and Fees	20,100	20,100	22,751	2,651
Intergovernmental	90,305	90,305	91,659	1,354
Earnings on Investments	25,000	25,000	14,824	(10,176)
Miscellaneous	8,600	8,600	7,298	(1,302)
Total Receipts	<u>263,945</u>	<u>263,945</u>	<u>253,566</u>	<u>(10,379)</u>
<u>Disbursements</u>				
Current:				
General Government	267,515	264,672	213,808	50,864
Public Works	1,700	1,736	1,707	29
Public Health Services	3,750	3,750	2,229	1,521
Conservation - Recreation	10,117	11,424	9,215	2,209
Capital Outlay	<u>48,400</u>	<u>47,400</u>	<u>13,215</u>	<u>34,185</u>
Total Disbursements	<u>331,482</u>	<u>328,982</u>	<u>240,174</u>	<u>88,808</u>
Excess of Receipts Over (Under) Disbursements	<u>(67,537)</u>	<u>(65,037)</u>	<u>13,392</u>	<u>78,429</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	669	669
Transfers Out	<u>(30,000)</u>	<u>(32,500)</u>	<u>(27,500)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(32,500)</u>	<u>(26,831)</u>	<u>5,669</u>
Net Change in Fund Balance	<u>(97,537)</u>	<u>(97,537)</u>	<u>(13,439)</u>	<u>84,098</u>
Fund Balance - Beginning of Year	182,137	182,137	182,137	0
Prior Year Encumbrances Appropriated	<u>5,171</u>	<u>5,171</u>	<u>5,171</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 89,771</u>	<u>\$ 89,771</u>	<u>\$ 173,869</u>	<u>\$ 84,098</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, 2008**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 88,286	\$ (1,714)
Earnings on Investments	<u>4,000</u>	<u>4,000</u>	<u>2,340</u>	<u>(1,660)</u>
Total Receipts	<u>94,000</u>	<u>94,000</u>	<u>90,626</u>	<u>(3,374)</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>101,400</u>	<u>101,400</u>	<u>92,401</u>	<u>8,999</u>
Total Disbursements	<u>101,400</u>	<u>101,400</u>	<u>92,401</u>	<u>8,999</u>
Net Change in Fund Balance	(7,400)	(7,400)	(1,775)	5,625
Fund Balance - Beginning of Year	<u>97,572</u>	<u>97,572</u>	<u>97,572</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 90,172</u>	<u>\$ 90,172</u>	<u>\$ 95,797</u>	<u>\$ 5,625</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, 2008**

	<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	\$ 177,698	\$ 177,698	\$ 181,227	\$ 3,529
Intergovernmental	<u>22,500</u>	<u>22,500</u>	<u>23,915</u>	<u>1,415</u>
Total Receipts	<u>200,198</u>	<u>200,198</u>	<u>205,142</u>	<u>4,944</u>
<u>Disbursements</u>				
Current:				
Public Works	393,798	361,643	215,609	146,034
Capital Outlay	<u>10,000</u>	<u>11,355</u>	<u>11,355</u>	<u>0</u>
Total Disbursements	<u>403,798</u>	<u>372,998</u>	<u>226,964</u>	<u>146,034</u>
Net Change in Fund Balance	(203,600)	(172,800)	(21,822)	150,978
Fund Balance - Beginning of Year	248,356	248,356	248,356	0
Prior Year Encumbrance Appropriated	<u>2,642</u>	<u>2,642</u>	<u>2,642</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 47,398</u>	<u>\$ 78,198</u>	<u>\$ 229,176</u>	<u>\$ 150,978</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, 2008**

	<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	\$ 97,726	\$ 97,726	\$ 99,866	\$ 2,140
Intergovernmental	<u>11,000</u>	<u>11,000</u>	<u>13,042</u>	<u>2,042</u>
Total Receipts	<u>108,726</u>	<u>108,726</u>	<u>112,908</u>	<u>4,182</u>
<u>Disbursements</u>				
Current:				
Public Works	96,599	96,599	77,498	19,101
Other	<u>85,000</u>	<u>85,000</u>	<u>80,918</u>	<u>4,082</u>
Total Disbursements	<u>181,599</u>	<u>181,599</u>	<u>158,416</u>	<u>23,183</u>
Net Change in Fund Balance	(72,873)	(72,873)	(45,508)	27,365
Fund Balance - Beginning of Year	115,433	115,433	115,433	0
Prior Year Encumbrance Appropriated	<u>18,658</u>	<u>18,658</u>	<u>18,658</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 61,218</u>	<u>\$ 61,218</u>	<u>\$ 88,583</u>	<u>\$ 27,365</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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, 2009 AND 2008
(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 12 and 13 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 2009 and 2008, 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, 2009 AND 2008
(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, 2009 AND 2008
(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, and the Road Levy Fund. 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 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, 2009 AND 2008
(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. The fiduciary fund was closed in December 2008.

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 object level for all funds.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(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. There were no investments in 2008 and 2009.

Earnings on cash are allocated to Township funds according to State statutes. Earning receipts credited to the General Fund during 2009 and 2008 were \$1,347 and \$14,824, respectively.

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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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

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 7 and 8, employer contributions include portions for pension benefits and for post-retirement health care benefits.

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. 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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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

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 2009 or 2008.

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 - Budget 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. These encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2009 (budgetary basis) amounted to \$2,583 for the General Fund, \$8,586 for the Road and Bridge Fund, and \$6,737 for the Road Levy Fund. The encumbrances outstanding at December 31, 2008, amounted to \$16,127 for the General Fund, \$4,661 for the Road and Bridge Fund, and \$6,200 for the Road Levy Fund.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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.

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;

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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

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 2009 and 2008, the Township had no undeposited cash on hand.

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, 2009, the carrying amount of the Township's deposits was \$707,166, and the bank balance was \$730,567. Of the bank balance, \$274,008 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, 2008, the total amount of the Township's deposits was \$775,942, and the bank balance was \$792,934. Of the bank balance, \$288,281 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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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

Deposits (Continued)

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, 2009 and December 31, 2008, the Township had no investments.

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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and October 1, 2007, on the assessed values as of January 1, 2008 and January 1, 2007, 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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 and 2008 became a lien on December 31, 2008 and December 31, 2007, were levied after October 1, 2008 and October 1, 2007, 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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 5: PROPERTY TAXES (Continued)

Tangible personal property tax receipts received in 2009 and 2008 (other than public utility property) represent the collection of 2009 and 2008 taxes. Tangible personal property taxes received in 2009 and 2008 were levied after October 1, 2008 and October 1, 2007, on the true value as of December 31, 2008 and December 31, 2007. 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, 2009 and December 31, 2008, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 and 2007 property tax receipts were based are as follows:

	2009	2008
Real Property:		
Residential and Agricultural	\$107,740,190	\$105,446,460
Manufactured Homes	434,170	593,704
Commercial/Industrial/Mineral	8,070,110	7,924,800
Tangible Personal Property	324,222	1,638,754
Public Utility	2,214,320	2,159,770
Total Assessed Value	\$118,783,012	\$117,763,488

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 2009 and 2008, 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. Primary 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

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 6: **RISK MANAGEMENT** (Continued)

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.

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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, the investment of which 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 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 Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 1-614-222-5601 or 1-800-222-7377.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)

For the years ended December 31, 2009 and December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the Traditional Plan, were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2009 and 2008 was 14 percent. 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, 2009, 2008, and 2007, were \$20,365, \$19,557, and \$18,610, respectively. The full amount has been contributed for 2009, 2008, and 2007.

NOTE 8: **POST-EMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care. The Plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional and Combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43125-4642, or by calling (614) 222-5601 or 800-222-7377.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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

Ohio Public Employees Retirement System (Continued)

The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, state and local government employers contributed at a rate of 14 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009, the amount of the employer contributions which was allocated to fund post-employment health care was 7 percent of covered payroll from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007, were \$8,533, \$9,779, and \$8,780, respectively. 100 percent has been contributed for 2009, 2008, and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. 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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 10: LEASES

The Township leases the Mantua Center School from the Ohio Township Leasing Corporation under a non-cancelable lease. The Township disbursed \$33,165 and \$32,230 to pay lease costs for the years ended December 31, 2009 and December 2008, respectively. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 32,228
2011	31,290
2012	35,140
2013	33,760
2014	<u>32,380</u>
Total	<u>\$ 164,798</u>

NOTE 11: INTERFUND TRANSFERS

During 2009 and 2008, the following transfers were made:

	<u>2009</u>	<u>2008</u>
Transfers from the General Fund to Other Governmental Funds:		
Capital Projects	\$ 0	\$ 20,000
Cemetery Fund	0	2,500
Zoning Fund	<u>10,000</u>	<u>5,000</u>
Total Transfers from the General Fund	<u>\$ 10,000</u>	<u>\$ 27,500</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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

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.

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 members’ equity at December 31, 2008 and 2007 (based upon the most recent data available).

	<u>2008</u>	<u>2007</u>
Assets	\$ 9,709,890	\$ 10,734,173
Liabilities	<u>(4,612,589)</u>	<u>(4,007,369)</u>
Members’ Equity	<u>\$ 5,097,301</u>	<u>\$ 6,726,804</u>

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY
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, Portage County, Ohio, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Mantua Township, Ohio's basic financial statements and have issued our report thereon dated February 15, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mantua Township, Ohio's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of Mantua Township, Ohio's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of Mantua Township, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of Mantua Township, Ohio's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether Mantua Township, Ohio's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Township Board of Trustees, and others within the entity. We intend it for no one other than these specified parties.



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

February 15, 2010

**MANTUA TOWNSHIP
PORTAGE COUNTY
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

The prior audit report, as of December 31, 2007 and 2006, included no citations or management letter recommendations.



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
MAY 6, 2010**