

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**

James G. Zupka, CPA, Inc.

Certified Public Accountants



Dave Yost • Auditor of State

Board of Trustees
Mantua Township
3898 Winchell Road
Mantua, Ohio 44315

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, 2010 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 31, 2012

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**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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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, 2011 and 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Mantua Township, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, and Road Levy Fund, thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 14, Mantua Township, Ohio, adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which impacted the December 31, 2009 net assets and fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012, on our consideration of Mantua Township, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 for 2011 and pages 20 through 27 for 2010 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


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

June 19, 2012

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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, 2011, 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 2011 are as follows:

- Net assets of governmental activities decreased by \$119,190, or 14 percent, a significant change from the prior year. The funds most affected by the decrease in cash and cash equivalents were the General Fund and the Road and Bridge Fund, which realized the greatest burden of increased costs in 2011; however, cost increases affected most funds.
- The Township's receipts are primarily from property and other local taxes and intergovernmental revenues. These receipts represent, respectively, 40 and 52 percent of the total cash received for governmental activities during the year. Property tax collections remained static for 2011, and delinquencies remain at approximately 7 percent. General Fund revenues dropped by approximately \$144,000 in 2011, but disbursements were essentially the same as 2010 (not including other financing sources and uses). The significant decrease in revenues was due to a large estate tax received in 2010. No estate taxes were received in 2011, and the estate tax will be eliminated for deaths after December 31, 2012. Interest rose by 34 percent in 2011.
- The major funds again received within 10 percent of budgeted revenues this year, while expenditures on budgeted road contracts and services caused the fund balances in the Road and Bridge Fund and the Road Levy Fund to decrease. The Gasoline Tax Fund balance experienced an increase, only because one full-time employee left in January and was not replaced until June. Gas tax revenues fell by 7 percent.
- Mantua Township completed the NOPEC projects and the balance of the \$25,000 grant was received. The School Fund was depleted as renovations continued on the Mantua Center School Administration Building project.

Using the Basic Financial Statements

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

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, committed, or assigned 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.

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2011, within the limitations of the cash basis of accounting. The Statement of Net Assets presents the cash balances 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.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

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.

In the Statement of Net Assets and the Statement Activities, the Township 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 and other local 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 and fiduciary.

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, the Road Levy Fund, and the OPWC Project 2 Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2011 compared to 2010 on a cash basis:

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Equity in Pool Cash and Cash Equivalents	\$ 710,105	\$ 829,295
Total Assets	<u>\$ 710,105</u>	<u>\$ 829,295</u>
<u>Net Assets</u>		
Restricted for:		
Capital Projects	\$ 10,059	\$ 15,831
Other Purposes	505,396	553,918
Unrestricted	<u>194,650</u>	<u>259,546</u>
Total Net Assets	<u>\$ 710,105</u>	<u>\$ 829,295</u>

As mentioned previously, net assets of governmental activities decreased by \$119,190, or 14 percent, during 2011. The primary reasons contributing to the changes in cash balances are as follows:

- There was no estate tax collected in 2011. The budgeted projects were cut back and spending on the Mantua Center School did not materialize as budgeted, both in utilities and in renovation work. General government expenses continue to take their toll on the General Fund.
- PERS was switched back to the Road and Bridge Fund for 2011. Budgeted road projects were completed under budget, but general road maintenance and expenses continue to draw down the Road and Bridge and the Road Levy funds.
- The Gasoline Tax Fund increased due to a delay in hiring a full-time employee.
- All of the funds were budgeted to decrease, to even out growth from the prior year.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

Table 2 reflects the changes in net assets on a cash basis in 2011 and 2010 for governmental activities.

Table 2 - Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
<u>Receipts</u>		
Program Receipts:		
Charges for Services and Sales	\$ 30,200	\$ 28,142
Operating Grants and Contributions	136,593	154,749
Capital Grants and Contributions	<u>241,325</u>	<u>539,034</u>
Total Program Receipts	<u>408,118</u>	<u>721,925</u>
General Receipts:		
Property and Other Local Taxes	378,522	376,201
Grants and Entitlements not Restricted to Specific Programs	114,479	288,595
Sale of Capital Assets	1,349	408
Interest	6,404	4,775
Miscellaneous	<u>35,598</u>	<u>31,423</u>
Total General Receipts	<u>536,352</u>	<u>701,402</u>
Total Receipts	<u>944,470</u>	<u>1,423,327</u>
<u>Disbursements</u>		
General Government	232,882	220,095
Public Health Services	16,668	25,091
Public Works	454,482	437,876
Conservation/Recreation	9,847	9,626
Capital Outlay	<u>349,781</u>	<u>605,730</u>
Total Disbursements	<u>1,063,660</u>	<u>1,298,418</u>
Increase (Decrease) in Net Assets	(119,190)	124,909
Net Assets - January 1	<u>829,295</u>	<u>704,386</u>
Net Assets - December 31	<u>\$ 710,105</u>	<u>\$ 829,295</u>

Program receipts represent 43 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and Public Works grants.

General receipts represent 57 percent of the Township's total receipts and, of this amount, over 92 percent are local taxes and intergovernmental receipts not restricted. Interest and other receipts make up approximately 8 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
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(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 Public Works, which is predominantly road maintenance and which accounts for 43 percent of all governmental disbursements. Capital Outlay represents another 33 percent of disbursements, which is predominantly road paving, while General Government also represents a significant cost, about 22 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 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
General Government	\$ 232,882	\$ (225,072)	\$ 220,095	\$ (205,753)
Security of Persons and Property				
Public Health Services	16,668	5,742	25,091	(11,270)
Public Works	454,482	(76,584)	437,876	255,886
Conservation/Recreation	9,847	(9,847)	9,626	(9,626)
Capital Outlay	349,781	(349,781)	605,730	(605,730)
Total Expenses	<u>\$ 1,063,660</u>	<u>\$ (655,542)</u>	<u>\$ 1,298,418</u>	<u>\$ (576,493)</u>

The dependence upon property and other local taxes and other general receipts is apparent, as over 50 percent of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$943,121 and disbursements of \$1,063,660 (not including other financing sources and uses). The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$64,896 as the result of budgeted capital improvements due to the large increase in 2010. The second greatest change was within the Road and Bridge Fund, which paid for projects that had begun in 2010.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)**

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. Revenues and expenditures within the General Fund were below budget. An estate tax (revenue) overpayment was refunded from 2010.

Final disbursements (not including other financing uses) were budgeted at \$376,043, while actual disbursements were \$289,197. General Fund uncertainty on upcoming revenue and additional unfunded mandated expenses 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 \$8,000, decreasing money available for general projects. As a result of GASB Statement No. 54, the Zoning Fund is consolidated with the General Fund for financial statement presentation only. In 2011 there was a decrease in the general fund balance of \$69,802 for 2011.

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, 2011, 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.

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, OHIO
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2011**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 710,105

Total Assets \$ 710,105

Net Assets

Restricted for:

 Capital Projects \$ 10,059

 Other Purposes 505,396

Unrestricted 194,650

Total Net Assets \$ 710,105

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Cash Disbursements	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>Governmental Activities</u>					
General Government	\$ 232,882	\$ 7,790	\$ 20	\$ 0	\$ (225,072)
Public Works	454,482	0	136,573	241,325	(76,584)
Public Health Services	16,668	22,410	0	0	5,742
Conservation - Recreation	9,847	0	0	0	(9,847)
Capital Outlay	<u>349,781</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(349,781)</u>
Total Governmental Activities	<u>\$ 1,063,660</u>	<u>\$ 30,200</u>	<u>\$ 136,593</u>	<u>\$ 241,325</u>	<u>(655,542)</u>
<u>General Receipts</u>					
Property and Other Local Taxes					378,522
Grants and Entitlements Not Restricted to Specific Programs					114,479
Sale of Capital Assets					1,349
Cable Franchise Fee					30,762
Earnings on Investments					6,404
Miscellaneous					<u>4,836</u>
Total General Receipts					<u>536,352</u>
Change in Net Assets					(119,190)
Net Assets - Beginning of Year					<u>829,295</u>
Net Assets - End of Year					<u>\$ 710,105</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	<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	\$ 194,650	\$ 81,241	\$ 234,110	\$ 117,445	\$ 82,659	\$ 710,105
Total Assets	<u>\$ 194,650</u>	<u>\$ 81,241</u>	<u>\$ 234,110</u>	<u>\$ 117,445</u>	<u>\$ 82,659</u>	<u>\$ 710,105</u>
<u>Fund Balances</u>						
Restricted:						
Road and Bridge Maintenance	\$ 0	\$ 81,241	\$ 234,110	\$ 117,445	\$ 52,424	\$ 485,220
Mantua Center School	0	0	0	0	6	6
Cemetery	0	0	0	0	20,176	20,176
Committed:						
Capital Equipment	0	0	0	0	10,053	10,053
Assigned:						
Fiscal year 2012 Appropriations	104,659	0	0	0	0	104,659
Other Purposes	4,697	0	0	0	0	4,697
Unassigned	<u>85,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,294</u>
Total Fund Balances	<u>\$ 194,650</u>	<u>\$ 81,241</u>	<u>\$ 234,110</u>	<u>\$ 117,445</u>	<u>\$ 82,659</u>	<u>\$ 710,105</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Gasoline Tax	Road and Bridge	Road Levy	OPWC Project 2	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 110,984	\$ 0	\$ 171,520	\$ 96,018	\$ 0	\$ 0	\$ 378,522
Charges for Services	984	0	0	0	0	0	984
Licenses, Permits, and Fees	33,628	0	0	0	0	14,730	48,358
Intergovernmental	68,844	87,658	29,137	16,498	241,325	23,852	467,314
Earnings on Investments	5,408	530	0	0	0	466	6,404
Miscellaneous	8,791	62	0	0	0	32,686	41,539
Total Receipts	<u>228,639</u>	<u>88,250</u>	<u>200,657</u>	<u>112,516</u>	<u>241,325</u>	<u>71,734</u>	<u>943,121</u>
Disbursements							
Current:							
General Government	232,882	0	0	0	0	0	232,882
Public Works	1,558	75,765	236,921	120,614	0	19,624	454,482
Public Health Services	4,762	0	0	0	0	11,906	16,668
Conservation - Recreation	9,847	0	0	0	0	0	9,847
Capital Outlay	45,835	0	18,795	0	241,325	43,826	349,781
Total Disbursements	<u>294,884</u>	<u>75,765</u>	<u>255,716</u>	<u>120,614</u>	<u>241,325</u>	<u>75,356</u>	<u>1,063,660</u>
Excess of Receipts Over (Under) Disbursements	<u>(66,245)</u>	<u>12,485</u>	<u>(55,059)</u>	<u>(8,098)</u>	<u>0</u>	<u>(3,622)</u>	<u>(120,539)</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	1,349	0	0	0	0	0	1,349
Advances In	25,000	0	0	0	0	25,000	50,000
Advances Out	(25,000)	0	0	0	0	(25,000)	(50,000)
Total Other Financing Sources (Uses)	<u>1,349</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,349</u>
Net Change in Fund Balances	<u>(64,896)</u>	<u>12,485</u>	<u>(55,059)</u>	<u>(8,098)</u>	<u>0</u>	<u>(3,622)</u>	<u>(119,190)</u>
Fund Balances - Beginning of Year	<u>259,546</u>	<u>68,756</u>	<u>289,169</u>	<u>125,543</u>	<u>0</u>	<u>86,281</u>	<u>829,295</u>
Fund Balances - End of Year	<u>\$ 194,650</u>	<u>\$ 81,241</u>	<u>\$ 234,110</u>	<u>\$ 117,445</u>	<u>\$ 0</u>	<u>\$ 82,659</u>	<u>\$ 710,105</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<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	\$ 114,020	\$ 113,989	\$ 110,984	\$ (3,005)
Charges for Services	5,000	5,000	984	(4,016)
Licenses, Permits, and Fees	29,100	29,100	31,035	1,935
Intergovernmental	88,889	88,889	68,844	(20,045)
Earnings on Investments	4,000	4,000	5,408	1,408
Miscellaneous	7,100	7,100	8,791	1,691
Total Receipts	<u>248,109</u>	<u>248,078</u>	<u>226,046</u>	<u>(22,032)</u>
<u>Disbursements</u>				
Current:				
General Government	240,029	253,582	222,614	30,968
Public Works	1,800	1,800	1,558	242
Public Health Services	5,759	6,478	4,762	1,716
Conservation - Recreation	12,375	13,375	10,496	2,879
Capital Outlay	112,080	100,808	49,767	51,041
Total Disbursements	<u>372,043</u>	<u>376,043</u>	<u>289,197</u>	<u>86,846</u>
Excess of Receipts Over (Under) Disbursements	<u>(123,934)</u>	<u>(127,965)</u>	<u>(63,151)</u>	<u>64,814</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	1,349	1,349
Transfers Out	(21,500)	(17,500)	(8,000)	9,500
Advances In	25,000	25,000	25,000	0
Advances Out	(25,000)	(25,000)	(25,000)	0
Total Other Financing Sources (Uses)	<u>(21,500)</u>	<u>(17,500)</u>	<u>(6,651)</u>	<u>10,849</u>
Net Change in Fund Balance	(145,434)	(145,465)	(69,802)	75,663
Fund Cash Balance - Beginning of Year	248,866	248,866	248,866	0
Prior Year Encumbrances Appropriated	6,315	6,315	6,315	0
Fund Balance - End of Year	<u>\$ 109,747</u>	<u>\$ 109,716</u>	<u>\$ 185,379</u>	<u>\$ 75,663</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Receipts</u>				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 87,658	\$ (7,342)
Earnings on Investments	300	300	530	230
Miscellaneous	0	0	62	62
Total Receipts	<u>95,300</u>	<u>95,300</u>	<u>88,250</u>	<u>(7,050)</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>92,164</u>	<u>92,164</u>	<u>75,765</u>	<u>16,399</u>
Total Disbursements	<u>92,164</u>	<u>92,164</u>	<u>75,765</u>	<u>16,399</u>
Net Change in Fund Balance	3,136	3,136	12,485	9,349
 Fund Balance - Beginning of Year	 <u>68,756</u>	 <u>68,756</u>	 <u>68,756</u>	 <u>0</u>
 Fund Balance - End of Year	 <u>\$ 71,892</u>	 <u>\$ 71,892</u>	 <u>\$ 81,241</u>	 <u>\$ 9,349</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<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	\$ 176,212	\$ 176,166	\$ 171,520	\$ (4,646)
Intergovernmental	<u>29,579</u>	<u>29,579</u>	<u>29,136</u>	<u>(443)</u>
Total Receipts	<u>205,791</u>	<u>205,745</u>	<u>200,656</u>	<u>(5,089)</u>
<u>Disbursements</u>				
Current:				
Public Works	359,197	357,197	241,894	115,303
Capital Outlay	<u>33,492</u>	<u>35,492</u>	<u>28,925</u>	<u>6,567</u>
Total Disbursements	<u>392,689</u>	<u>392,689</u>	<u>270,819</u>	<u>121,870</u>
Net Change in Fund Balance	(186,898)	(186,944)	(70,163)	116,781
Fund Balance - Beginning of Year	284,108	284,108	284,108	0
Prior Year Encumbrance Appropriated	<u>5,061</u>	<u>5,061</u>	<u>5,061</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 102,271</u>	<u>\$ 102,225</u>	<u>\$ 219,006</u>	<u>\$ 116,781</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<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	\$ 98,236	\$ 98,419	\$ 96,018	\$ (2,401)
Intergovernmental	<u>17,415</u>	<u>17,415</u>	<u>16,498</u>	<u>(917)</u>
Total Receipts	<u>115,651</u>	<u>115,834</u>	<u>112,516</u>	<u>(3,318)</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>186,332</u>	<u>186,332</u>	<u>121,614</u>	<u>64,718</u>
Total Disbursements	<u>186,332</u>	<u>186,332</u>	<u>121,614</u>	<u>64,718</u>
Net Change in Fund Balance	(70,681)	(70,498)	(9,098)	61,400
Fund Balance - Beginning of Year	119,211	119,211	119,211	0
Prior Year Encumbrance Appropriated	<u>6,332</u>	<u>6,332</u>	<u>6,332</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 54,862</u>	<u>\$ 55,045</u>	<u>\$ 116,445</u>	<u>\$ 61,400</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011**

	<u>Private Purpose Trust</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,788</u>
<u>Net Assets</u>	
Held in Trust for Cemetery Bequests	<u>\$ 2,788</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Private Purpose Trust</u>
<u>Additions</u>	
Investment Earnings:	
Interest	<u>\$ 23</u>
<u>Deductions</u>	
Cemetery Expenses	<u>10</u>
Change in Net Assets	13
Net Assets - Beginning of Year	<u>2,775</u>
Net Assets - End of Year	<u>\$ 2,788</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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, 2010, 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 2010 are as follows:

- Net assets of governmental activities increased by \$124,909, or 18 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the General Fund and the Road and Bridge Fund, which increased by \$93,028 and \$95,065, respectively.
- The Township's receipts are primarily property and other local taxes and intergovernmental revenue. These receipts represent, respectively, 26 percent and 69 percent of the total cash received for governmental activities during the year. Property and other local taxes for 2010 decreased by almost \$30,000 compared to 2009. Local Government Distribution Funds made up 13 percent of General Fund revenues in 2010 and, unexpectedly, were up 5 percent from the past few years. A sizeable estate tax settlement in August made up 39 percent of General Fund revenues and greatly enhanced the Township's ability to pursue much needed capital projects.
- 2010 interest earned on the Township's current bank accounts was so low that the Township decided to change banks. Investments in the Middlefield Banking Company yielded a 175 percent increase in interest.
- Major funds all received within 10 percent of budgeted revenues for the year. The Road and Bridge Fund fell slightly short of budget, while the General Fund and the Road Levy Fund each exceeded budgeted revenues.
- As indicated in 2009, the Hillcrest, Coldbrook, Ambler, and Fernway Roads Paving Project funds were not disbursed by the Ohio Public Works Commission until 2010. 2010 also saw a cooperative road project with Auburn Township in Geauga County to pave Crackel and Harner roads. This project came in \$81,033 under budget, with Auburn Township paying Mantua Township its share of \$18,527. Bennig Drive was also paved at this time.
- In 2010, Mantua Township received a \$50,000 grant from NOPEC (Northern Ohio Public Energy Council), which is being used to install energy efficient doors and windows and a new boiler in the Mantua Center School building, as well as new windows throughout the Village of Mantua's town hall. \$25,000 of this grant has been received as of December 31, 2010.
-

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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, committed, or assigned 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
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2010, within the limitations of the cash basis of accounting. The Statement of Net Assets presents the cash balances 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.

In the Statement of Net Assets and the Statement Activities, the Township 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 income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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 Road and Bridge Fund, the Road Levy Fund, the OPWC Project 1 Fund, and the OPWC Project 4 Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. This relationship is described in reconciliations presented with the governmental fund financial statements.

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

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 on a cash basis.

Table 1 - Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u> <u>Restated</u>
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 829,295	\$ 704,386
Total Assets	<u>\$ 829,295</u>	<u>\$ 704,386</u>
<u>Net Assets</u>		
Restricted for:		
Capital Projects	\$ 15,831	\$ 25,945
Other Purposes	553,918	511,923
Unrestricted	<u>259,546</u>	<u>166,518</u>
Total Net Assets	<u>\$ 829,295</u>	<u>\$ 704,386</u>

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

As mentioned previously, net assets of governmental activities increased by \$124,909, or 18 percent, during 2010. The primary reasons contributing to the changes in cash balances are as follows:

- General Fund revenues came within 3 percent of the revised budget, mainly due to the increase in estate taxes. Additional chargebacks by the State, Regional Planning Commission, and the Health Department, as well as necessary transfers into the Zoning Fund, forced strict controls over the General Fund budget.
- Other capital projects have been deferred pending work on the Mantua Center School building.
- The Road and Bridge Fund experienced a budgeted increase, as the Township switched PERS funding to the Gasoline Tax Fund for the year. Health insurance costs were also cut due to a change in the fund plan.
- The Road Levy Fund experienced a budgeted decrease due to shifting some material and contract costs from the Road and Bridge Fund.

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities.

Table 2 - Change in Net Assets

	Governmental Activities	
	2010	2009
Receipts		
Program Receipts:		
Charges for Services and Sales	\$ 28,142	\$ 35,521
Operating Grants and Contributions	154,749	110,735
Capital Grants and Contributions	539,034	63,455
Total Program Receipts	<u>721,925</u>	<u>209,711</u>
General Receipts:		
Property and Other Local Taxes	376,201	406,267
Grants and Entitlements not Restricted to Specific Programs	288,595	122,645
Sale of Capital Assets	408	0
Interest	4,775	1,734
Miscellaneous	31,423	47,457
Total General Receipts	<u>701,402</u>	<u>578,103</u>
Total Receipts	<u>1,423,327</u>	<u>787,814</u>
Disbursements		
General Government	220,095	216,793
Public Health Services	25,091	23,345
Public Works	437,876	415,001
Conservation - Recreation	9,626	9,910
Capital Outlay	605,730	191,541
Total Disbursements	<u>1,298,418</u>	<u>856,590</u>
Increase (Decrease) in Net Assets	124,909	(68,776)
Net Assets - January 1, as Restated	<u>704,386</u>	<u>773,162</u>
Net Assets - December 31	<u>\$ 829,295</u>	<u>\$ 704,386</u>

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

Program receipts represent 51 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, and Public Works grants.

General receipts represent 49 percent of the Township's total receipts and, of this amount, over 95 percent are local taxes and intergovernmental receipts not restricted. Interest and other receipts make up approximately 5 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 for 2010 is the Capital Outlay, which is predominantly road paving and which accounts for 47 percent of all governmental disbursements. Maintenance of Roads represents another 34 of disbursements, while General Government also represents a significant cost, about 17 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. Public Works is positive because the project local share was expended in the prior year.

Table 3 - Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$ 220,095	\$ (205,753)	\$ 216,793	\$ (204,827)
Public Health Services	25,091	(11,270)	23,345	217
Public Works	437,876	255,886	415,001	(240,818)
Conservation - Recreation	9,626	(9,626)	9,910	(9,910)
Capital Outlay	605,730	(605,730)	191,541	(191,541)
Total Expenses	\$ 1,298,418	\$ (576,493)	\$ 856,590	\$ (646,879)

The dependence upon property and other local taxes and other general receipts is apparent as 54 percent of governmental activities are supported through these general receipts.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

The Township's Funds

Total governmental funds had receipts of \$1,422,927 and disbursements of \$1,298,418 (not including other financing sources and uses). The greatest change within governmental funds occurred within the General Fund and the Road and Bridge 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.

Final receipts were slightly above budgeted receipts, mainly due to estate tax receipts.

Final disbursements (not including other financing uses) were budgeted at \$417,003, while actual disbursements were \$264,306. Capital projects were budgeted late in the year and were underway at year-end on the Mantua Center School Building project within the General Fund. General Fund uncertainty on upcoming revenues and additional unfunded mandated expenses 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 \$8,000, decreasing money available for general projects. As a result of GASB Statement No. 54, the Zoning Fund is consolidated with the General Fund for financial statement presentation only. The fund balance of the General Fund increased \$85,891.

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, 2010, the Township had no debt.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

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. As Ohio and the United States continue in the current economic downturn, the Township will continue to serve its citizens 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 services.

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, OHIO
STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2010**

Assets

Equity in Pooled Cash and Cash Equivalents \$ 829,295

Total Assets \$ 829,295

Net Assets

Restricted for:

 Capital Projects \$ 15,831

 Other Purposes 553,918

Unrestricted 259,546

Total Net Assets \$ 829,295

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES -
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<u>General</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	\$ 259,546	\$ 289,169	\$ 125,543	\$ 155,037	\$ 829,295
Total Assets	<u>\$ 259,546</u>	<u>\$ 289,169</u>	<u>\$ 125,543</u>	<u>\$ 155,037</u>	<u>\$ 829,295</u>
<u>Fund Balances</u>					
Restricted:					
Road and Bridge Maintenance	\$ 0	\$ 289,169	\$ 125,543	\$ 116,568	\$ 531,280
Energy Related Projects	0	0	0	12,966	12,966
Mantua Center School	0	0	0	5,860	5,860
Cemetery	0	0	0	9,672	9,672
Committed:					
Capital Equipment	0	0	0	9,971	9,971
Assigned:					
Fiscal Year 2011 Appropriations	164,119	0	0	0	164,119
Other Purposes	6,315	0	0	0	6,315
Unassigned	<u>89,112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,112</u>
Total Fund Balances	<u>\$ 259,546</u>	<u>\$ 289,169</u>	<u>\$ 125,543</u>	<u>\$ 155,037</u>	<u>\$ 829,295</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Road and Bridge	Road Levy	OPWC Project 1	OPWC Project 4	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 100,256	\$ 180,550	\$ 95,395	\$ 0	\$ 0	\$ 0	\$ 376,201
Charges for Services	5,944	0	0	0	0	0	5,944
Licenses, Permits, and Fees	32,532	0	0	0	0	8,716	41,248
Intergovernmental	222,720	55,233	20,664	182,740	356,293	119,707	957,357
Earnings on Investments	4,281	0	0	0	0	494	4,775
Miscellaneous	7,289	0	0	0	0	30,105	37,394
Total Receipts	<u>373,022</u>	<u>235,783</u>	<u>116,059</u>	<u>182,740</u>	<u>356,293</u>	<u>159,022</u>	<u>1,422,919</u>
Disbursements							
Current:							
General Government	220,095	0	0	0	0	0	220,095
Public Works	1,552	137,672	148,815	0	0	149,837	437,876
Public Health Services	5,653	0	0	0	0	19,438	25,091
Conservation - Recreation	9,626	0	0	0	0	0	9,626
Capital Outlay	31,576	3,046	0	182,740	356,293	32,075	605,730
Total Disbursements	<u>268,502</u>	<u>140,718</u>	<u>148,815</u>	<u>182,740</u>	<u>356,293</u>	<u>201,350</u>	<u>1,298,418</u>
Excess of Receipts Over (Under) Disbursements	<u>104,520</u>	<u>95,065</u>	<u>(32,756)</u>	<u>0</u>	<u>0</u>	<u>(42,328)</u>	<u>124,501</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	408	0	0	0	0	0	408
Transfers In	0	0	0	0	0	11,900	11,900
Transfers Out	(11,900)	0	0	0	0	0	(11,900)
Total Other Financing Sources (Uses)	<u>(11,492)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,900</u>	<u>408</u>
Net Change in Fund Balances	93,028	95,065	(32,756)	0	0	(30,428)	124,909
Fund Balances - Beginning of Year, as Restated	<u>166,518</u>	<u>194,104</u>	<u>158,299</u>	<u>0</u>	<u>0</u>	<u>185,465</u>	<u>704,386</u>
Fund Balances - End of Year	<u>\$ 259,546</u>	<u>\$ 289,169</u>	<u>\$ 125,543</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 155,037</u>	<u>\$ 829,295</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 103,655	\$ 103,655	\$ 100,256	\$ (3,399)
Charges for Services	5,000	5,000	5,944	944
Licenses, Permits, and Fees	25,100	25,100	29,199	4,099
Intergovernmental	90,337	216,537	222,720	6,183
Earnings on Investments	1,000	1,000	4,281	3,281
Miscellaneous	8,100	8,100	7,289	(811)
Total Receipts	<u>233,192</u>	<u>359,392</u>	<u>369,689</u>	<u>10,297</u>
<u>Disbursements</u>				
Current:				
General Government	262,934	258,304	212,625	45,679
Public Works	1,800	1,800	1,552	248
Public Health Services	5,269	6,419	5,652	767
Conservation - Recreation	11,100	11,100	9,901	1,199
Capital Outlay	21,400	139,380	34,576	104,804
Total Disbursements	<u>302,503</u>	<u>417,003</u>	<u>264,306</u>	<u>152,697</u>
Excess of Receipts Over (Under) Disbursements	<u>(69,311)</u>	<u>(57,611)</u>	<u>105,383</u>	<u>162,994</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	408	408
Transfers Out	(13,500)	(23,400)	(19,900)	3,500
Total Other Financing Sources (Uses)	<u>(13,500)</u>	<u>(23,400)</u>	<u>(19,492)</u>	<u>3,908</u>
Net Change in Fund Balance	(82,811)	(81,011)	85,891	166,902
Fund Balance - Beginning of Year	160,392	160,392	160,392	0
Prior Year Encumbrances Appropriated	2,583	2,583	2,583	0
Fund Balance - End of Year	<u>\$ 80,164</u>	<u>\$ 81,964</u>	<u>\$ 248,866</u>	<u>\$ 166,902</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 186,578	\$ 186,578	\$ 180,550	\$ (6,028)
Intergovernmental	<u>54,531</u>	<u>54,531</u>	<u>55,233</u>	<u>702</u>
Total Receipts	<u>241,109</u>	<u>241,109</u>	<u>235,783</u>	<u>(5,326)</u>
<u>Disbursements</u>				
Current:				
Public Works	272,918	272,718	141,733	130,985
Capital Outlay	<u>24,000</u>	<u>24,200</u>	<u>4,046</u>	<u>20,154</u>
Total Disbursements	<u>296,918</u>	<u>296,918</u>	<u>145,779</u>	<u>151,139</u>
Net Change in Fund Balance	(55,809)	(55,809)	90,004	145,813
Fund Balance - Beginning of Year	185,518	185,518	185,518	0
Prior Year Encumbrance Appropriated	<u>8,586</u>	<u>8,586</u>	<u>8,586</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 138,295</u>	<u>\$ 138,295</u>	<u>\$ 284,108</u>	<u>\$ 145,813</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS -
ROAD LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 98,236	\$ 98,236	\$ 95,395	\$ (2,841)
Intergovernmental	<u>10,915</u>	<u>10,915</u>	<u>20,664</u>	<u>9,749</u>
Total Receipts	<u>109,151</u>	<u>109,151</u>	<u>116,059</u>	<u>6,908</u>
<u>Disbursements</u>				
Current:				
Public Works	<u>205,712</u>	<u>205,712</u>	<u>155,147</u>	<u>50,565</u>
Total Disbursements	<u>205,712</u>	<u>205,712</u>	<u>155,147</u>	<u>50,565</u>
Net Change in Fund Balance	(96,561)	(96,561)	(39,088)	57,473
Fund Balance - Beginning of Year	151,562	151,562	151,562	0
Prior Year Encumbrance Appropriated	<u>6,737</u>	<u>6,737</u>	<u>6,737</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 61,738</u>	<u>\$ 61,738</u>	<u>\$ 119,211</u>	<u>\$ 57,483</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010**

	Private Purpose Trust
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,775</u>
<u>Net Assets</u>	
Held in Trust for Cemetery Bequests	<u>\$ 2,775</u>

See accompanying notes to the basic financial statements.

MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Private Purpose Trust</u>
<u>Additions</u>	
Investment Earnings:	
Interest	\$ <u>8</u>
<u>Deductions</u>	
Cemetery Expenses	<u>13</u>
Change in Net Assets	(5)
Net Assets - Beginning of Year, as Restated	<u>2,780</u>
Net Assets - End of Year	<u>\$ 2,775</u>

See accompanying notes to the basic financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

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 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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 2011 and 2010, 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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 fund 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, committed, or assigned as to use. The funds of the Township are governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy Fund, and the Public Works funds. 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 63 percent of the funds expended for Township operations. The Public Works funds show the amount of funds received and disbursed by the Ohio Public Works Commission on local projects.

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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's Private Purpose Trust Fund accounts for various Cemetery bequests. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Township does not have any Agency funds.

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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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. At December 31, 2011, the Township had no investments. At December 31, 2010, the Township was invested in an open-ended money market mutual fund. Under the provisions of GASB Statement No. 9, the Township's investment in the open-ended money market mutual fund is considered a cash and cash equivalent on the financial statements.

Earnings on cash are allocated to Township funds according to State statutes. Earning receipts credited to the General Fund during 2011 and 2010 were \$5,408 and \$4,281, respectively.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

F. **Restricted Assets**

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

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. **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to serve constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

K. **Fund Balance** (Continued)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the Township Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Township’s Board of Trustees removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by Township’s Board of Trustees.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

K. **Fund Balance** (Continued)

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. **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.

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 2011 or 2010.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual - 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 and the Zoning Fund, which has a separate legally adopted budget and is not included with the General Fund on the budgetary statement. These encumbrances are treated as disbursements (budgetary basis) rather than as a part of restricted, committed, or assigned fund balance (cash basis). The encumbrances outstanding at December 31, 2011 (budgetary basis) amounted to \$4,697 for the General Fund, \$15,104 for the Road and Bridge Fund, and \$1,000 for the Road Levy Fund. At December 31, 2011, the Zoning Fund experienced a \$209 change in cash basis fund balance which did not impact the General Fund budgetary statements. The encumbrances outstanding at December 31, 2010, amounted to \$6,315 for the General Fund, \$5,061 for the Road and Bridge Fund, and \$6,332 for the Road Levy Fund. At December 31, 2010, the Zoning Fund experienced a \$822 change in cash basis fund balance, which did not impact the General Fund budgetary statement.

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.

**MANTUA TOWNSHIP
PORTAGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

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;
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).

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

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 2011 and 2010, 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, 2011, the carrying amount of the Township's deposits was \$712,893, and the bank balance was \$740,596. Of the bank balance, \$314,799 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, 2010, the carrying amount of the Township's deposits was \$826,214, and the bank balance was \$857,025. Of the bank balance, \$295,772 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. Although all State statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

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, 2011, the Township had no investments. At December 31, 2010, the Township had \$5,856 invested in the Fidelity Treasury Money Market Mutual Fund Class III, which is considered an open-end mutual fund. Bank of New York is holding the assets as the Trustee for the Township. The mutual fund is rated AAAM by Standard and Poor's.

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 2011 and 2010 represent the collection of 2010 and 2009 taxes. Real property taxes received in 2011 and 2010 were levied after October 1, 2010 and October 1, 2009, on the assessed values as of January 1, 2010 and January 1, 2009, 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 2011 and 2010 represent the collection of 2010 and 2009 taxes. Public utility real and tangible personal property taxes received in 2011 and 2010 became a lien on December 31, 2010 and December 31, 2009, were levied after October 1, 2010 and October 1, 2009, 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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 5: PROPERTY TAXES (Continued)

Tangible personal property tax receipts received in 2011 and 2010 (other than public utility property) represent the collection of 2011 and 2010 taxes. Tangible personal property taxes received in 2011 and 2010 were levied after October 1, 2010 and October 1, 2009, on the true value as of December 31, 2010 and December 31, 2009. 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, 2011 and December 31, 2010, was \$4.30 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were based are as follows:

	<u>2011</u>	<u>2010</u>
Real Property:		
Residential and Agricultural	\$103,491,420	\$107,740,190
Manufactured Homes	638,640	434,170
Commercial/Industrial/Mineral	8,608,380	8,070,110
Tangible Personal Property	89,780	324,222
Public Utility	<u>2,343,320</u>	<u>2,214,320</u>
Total Assessed Value	<u>\$ 115,171,540</u>	<u>\$118,783,012</u>

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 2011 and 2010, 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	1,690,674	Total Coverage
Boiler and Machinery	1,690,674	Limit

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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. The Township has changed to a funded insurance plan that funds deductibles up to \$1,000/\$5,000. Estimated savings is over \$11,000 per year.

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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

Ohio Public Employees Retirement System (Continued)

For the years ended December 31, 2011 and December 31, 2010, 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 total contribution rate to OPERS for 2011 and 2010 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions to the Traditional and Combined plans for the years ended December 31, 2011, 2010, and 2009, were \$20,062, \$23,956, and \$20,365, respectively. The full amount has been contributed for 2011, 2010, and 2009.

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.

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.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

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

Ohio Public Employees Retirement System (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, 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 2011, the amount of the employer contributions which was allocated to fund post-employment health care was 10.00 percent and 7.95 percent of covered payroll for the Traditional Plan and the Combined Plan, respectively. For 2010, the amount of the employer contributions which was allocated to fund post-employment health care for members in the Traditional Plan was 5.50 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010.

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, 2011, 2010, and 2009, were \$5,732, \$8,782, and \$8,533, respectively. 100 percent has been contributed for 2011, 2010, and 2009.

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, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 \$31,290 and \$34,100 to pay lease costs for the years ended December 31, 2011 and December 2010, respectively. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 35,140
2013	33,760
2014	<u>32,380</u>
Total	<u>\$ 101,280</u>

NOTE 11: INTERFUND TRANSFERS AND ADVANCES

During 2011 and 2010, the following transfers were made:

	<u>2010</u>
Transfers from the General Fund to	
Other Governmental Funds:	
Capital Equipment fund	\$ 9,900
Cemetery Fund	<u>2,000</u>
Total Transfers from the General Fund	<u>\$ 11,900</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. In addition, the \$8,000 transfer that the General Fund made to the Zoning Fund in 2011 and 2010 has been eliminated on the fund financial statements. This transfer elimination is a result of GASB Statement No. 54, which combined the Zoning Fund with the General Fund for financial statement presentation only.

During 2011, the Township's General Fund provided temporary funding in the amount of \$25,000 to the NOPEC Grant Fund. This interfund loan was repaid within 2011.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 12: JOINTLY GOVERNED ORGANIZATIONS

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

NOTE 13: PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Government Risk Management Plan (the “Plan”), a non-assessable incorporated non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 720 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 41.5 percent casualty and the 10 percent property portions retained by the Plan. The Plan pays the lesser of 41.5 percent or \$103,750 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.

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 financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former Member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 13: PUBLIC ENTITY RISK POOL (Continued)

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities, and members' equity at December 31, 2011 and 2010 (based upon the most recent data available).

	<u>2011</u>	<u>2010</u>
Assets	\$ 12,501,280	\$ 12,036,541
Liabilities	<u>(5,328,761)</u>	<u>(4,845,056)</u>
Members' Equity	<u>\$ 7,172,519</u>	<u>\$ 7,191,485</u>

The Plan's complete audited financial statements can be viewed at the Plan's website, www.OhioPlan.org.

NOTE 14: CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

Changes in Accounting Principles

For fiscal year 2010, the Township implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, and GASB Statement No. 59, *Financial Instruments Omnibus*.

GASB Statement No. 51 improves the quality of financial reporting by reducing inconsistencies that have developed in accounting and financial reporting for intangible assets. The implementation of this Statement did not have an effect on the Township's financial statements.

GASB Statement No. 53 improves the quality of financial reporting by requiring governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this Statement did not have an effect on the Township's financial statements.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The implementation of this Statement resulted in the reclassification of fund balances on the Township's governmental fund financial statements.

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 14: CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS (Continued)

Changes in Accounting Principles (Continued)

GASB Statement No. 58 improves the quality of financial reporting by providing more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this Statement did not have an effect on the Township's financial statements.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial institutions and external investment pools. The implementation of this Statement did not have an effect on the Township's financial statements.

Prior Period Adjustments

The Township's December 31, 2009 governmental activities' net assets and governmental funds' cash basis fund balances were restated as a result of the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

	<u>Governmental Activities</u>				<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Road and Bridge</u>	<u>Road Levy</u>			
Net Assets,						
December 31, 2009	\$ 707,166					
Change in Fund Structure	<u>(2,780)</u>					
Net Assets, December 31, 2009, as Restated	<u>\$ 704,386</u>					
Fund Balances,						
December 31, 2009	\$ 162,975	\$ 194,104	\$ 158,299	\$ 191,788		\$ 707,166
Change in Fund Structure	<u>3,543</u>	<u>0</u>	<u>0</u>	<u>(6,323)</u>		<u>(2,780)</u>
Fund Balances, December 31, 2009, as Restated	<u>\$ 166,518</u>	<u>\$ 194,104</u>	<u>\$ 158,299</u>	<u>\$ 185,465</u>		<u>\$ 704,386</u>

As a result of the above restatements, the Township's Cemetery Bequest funds were reclassified as Private Purpose Trust funds, as of December 31, 2009. The Zoning Fund is consolidated with the General Fund for financial statement presentation only.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

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

To Board of Trustees
Mantua Township, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Portage County, Ohio, as of and for the years ended December 31, 2011 and 2010, which collectively comprise Mantua Township, Ohio's basic financial statements and have issued our report thereon dated June 19, 2012, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles and wherein we noted that the Township adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which impacted the December 1, 2009 net assets and fund balances as described in Note 14. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Mantua Township, Ohio, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Mantua Township, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mantua Township, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mantua Township, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Mantua Township, Ohio, in a separate letter dated June 19, 2012.

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


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

June 19, 2012

**MANTUA TOWNSHIP
PORTAGE COUNTY, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

The prior audit report, as of December 31, 2009 and 2008, included no citations or management letter recommendations.



Dave Yost • 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
NOVEMBER 13, 2012**