



**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



MANTUA TOWNSHIP  
PORTAGE COUNTY

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

Mantua Township  
Portage County  
3898 Winchell Road  
Mantua, Ohio 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua Township (the Township) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 4, 2002

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Local Taxes	\$45,427	\$254,959			\$300,386
Intergovernmental Receipts	99,684	102,384		\$74,407	276,475
Charges for Services	3,722				3,722
Licenses, Permits, and Fees	20	13,774			13,794
Earnings on Investments	22,342	3,508			25,850
Other Revenue	26,568	9,150			35,718
Total Cash Receipts	197,763	383,775		74,407	655,945
<b>Cash Disbursements:</b>					
Current:					
General Government	106,099	10,167			116,266
Public Works	27,944	293,099			321,043
Health	2,511	16,265			18,776
Conservation - Recreation	6,056				6,056
Miscellaneous		34,138			34,138
Debt Service:					
Redemption of Principal			25,000		25,000
Interest and Fiscal Charges			675		675
Capital Outlay	47,530	2,125		74,122	123,777
Total Cash Disbursements	190,140	355,794	25,675	74,122	645,731
Total Receipts Over/(Under) Disbursements	7,623	27,981	(25,675)	285	10,214
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		7,000	25,703	27,500	60,203
Transfers-Out	(34,500)	(25,703)			(60,203)
Total Other Financing Receipts/(Disbursements)	(34,500)	(18,703)	25,703	27,500	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,877)	9,278	28	27,785	10,214
Fund Cash Balances, January 1	193,011	301,868	449	70,000	565,328
<b>Fund Cash Balances, December 31</b>	<b>\$166,134</b>	<b>\$311,146</b>	<b>\$477</b>	<b>\$97,785</b>	<b>\$575,542</b>
Reserves for Encumbrances, December 31	\$13,481	\$13,393			\$26,874

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

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Interest	\$29		\$29
Miscellaneous		\$400	400
Total Operating Cash Receipts	<u>29</u>	<u>400</u>	<u>429</u>
<b>Operating Cash Disbursements:</b>			
Other		200	200
Supplies and Materials	48		48
Total Operating Cash Disbursements	<u>48</u>	<u>200</u>	<u>248</u>
Net Receipts Over/(Under) Disbursements	(19)	200	181
Fund Cash Balances, January 1	<u>2,822</u>		<u>2,822</u>
<b>Fund Cash Balances, December 31</b>	<b><u>2,803</u></b>	<b><u>200</u></b>	<b><u>3,003</u></b>

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



**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$38,870	\$227,347			\$266,217
Intergovernmental Receipts	123,257	97,970			221,227
Charges for Services	8,216				8,216
Licenses, Permits, and Fees	23	13,388			13,411
Earnings on Investments	18,083	3,543			21,626
Other Revenue	21,019	5,600			26,619
<b>Total Cash Receipts</b>	<u>209,468</u>	<u>347,848</u>			<u>557,316</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	104,011	9,570			113,581
Public Works	28,537	297,834			326,371
Health	1,064	15,496			16,560
Conservation - Recreation	5,084				5,084
Debt Service:					
Redemption of Principal			25,000		25,000
Interest and Fiscal Charges			1,640		1,640
Capital Outlay	32,595	2,697			35,292
<b>Total Cash Disbursements</b>	<u>171,291</u>	<u>325,597</u>	<u>26,640</u>		<u>523,528</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>38,177</u>	<u>22,251</u>	<u>(26,640)</u>		<u>33,788</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		10,000	26,640	70,000	106,640
Transfers-Out	(80,000)	(26,640)			(106,640)
Other Uses	(421)				(421)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(80,421)</u>	<u>(16,640)</u>	<u>26,640</u>	<u>70,000</u>	<u>(421)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(42,244)</u>	<u>5,611</u>		<u>70,000</u>	<u>33,367</u>
<b>Fund Cash Balances, January 1</b>	<u>235,255</u>	<u>296,257</u>	<u>449</u>		<u>531,961</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$193,011</b></u>	<u><b>\$301,868</b></u>	<u><b>\$449</b></u>	<u><b>\$70,000</b></u>	<u><b>\$565,328</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$8,990</b></u>	<u><b>\$15,780</b></u>			<u><b>\$24,770</b></u>

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

MANTUA TOWNSHIP  
PORTAGE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Nonexpendable Trust</u>
<b>Operating Cash Receipts:</b>	
Interest	\$41
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	<u>48</u>
Net Receipts (Under) Disbursements	(7)
Fund Cash Balances, January 1	<u>2,829</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$2,822</u></u></b>

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

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Mantua Township, Portage County, (the Township) is a body corporate and politic 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 provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Fund (Continued)**

*Road Levy Fund* - This fund receives property tax money to pay for constructing, maintaining and repairing Township roads.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had a Debt Service Fund for a tax anticipation note to pay for a paving project. The final note payment was made in 2001.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital projects fund:

*Public Works Project Fund* - The Township received a grant in fiscal year 2001 from the State to perform paving on a specific Township road.

**5. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following significant fiduciary fund:

*Cemetery Bequest Fund* - This fund is a non-expendable trust fund that utilize interest revenues for the upkeep and maintenance of the cemetery. The principal must remain intact.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

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

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

	2001	2000
Demand deposits	\$ 419,583	\$ 419,422
Certificates of deposit	158,962	148,728
Total deposits	\$ 578,545	\$ 568,150

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,715	\$197,763	\$22,048
Special Revenue	413,530	390,775	(22,755)
Debt Service	25,704	25,703	(1)
Capital Projects	142,500	101,907	(40,593)
Fiduciary	6,060	429	(5,631)
Total	\$763,509	\$716,577	(\$46,932)

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$297,105	\$238,121	\$58,984
Special Revenue	490,838	394,890	95,948
Debt Service	25,703	25,675	28
Capital Projects	210,000	74,122	135,878
Fiduciary	6,050	248	5,802
Total	\$1,029,696	\$733,056	\$296,640

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$204,983	\$209,468	\$4,485
Special Revenue	327,972	357,848	29,876
Debt Service	26,641	26,640	(1)
Capital Projects	0	70,000	70,000
Fiduciary	4,959	41	(4,918)
Total	\$564,555	\$663,997	\$99,442

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$299,764	\$260,702	\$39,062
Special Revenue	450,521	368,017	82,504
Debt Service	26,641	26,640	1
Capital Projects	0	0	0
Fiduciary	6,050	48	6,002
Total	\$782,976	\$655,407	\$127,569

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX (Continued)**

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PER members contributed 8.5% of their wages. The Township contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13% from July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association with over 600 governmental entity members, providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed 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 judgements, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

**7. CONTINGENT LIABILITIES**

The Township is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Mantua Township  
Portage County  
3898 Winchell Road  
Mantua, Ohio 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 4, 2002. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could 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 that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated March 4, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 4, 2002.

Mantua Township  
Portage County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

March 4, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MANTUA TOWNSHIP**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 9, 2002**