



**Auditor of State
Betty Montgomery**

MANTUA TOWNSHIP
PORTAGE COUNTY

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**Auditor of State
Betty Montgomery**

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 the Mantua Township (the Township), Portage County, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code §117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11 (B) and 115.56 mandate the Auditor of State to audit Ohio governments.

We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2004 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.

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

Betty Montgomery
Auditor of State

June, 4 2004

**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, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$48,089	\$268,915	\$0	\$317,004
Intergovernmental	105,565	155,651	84,816	346,032
Charges for Services	3,008			3,008
Licenses, Permits, and Fees	33	19,344		19,377
Earnings on Investments	7,597	893	1,894	10,384
Other Revenue	19,842	7,090		26,932
	<u>184,134</u>	<u>451,893</u>	<u>86,710</u>	<u>722,737</u>
Total Cash Receipts				
	<u>184,134</u>	<u>451,893</u>	<u>86,710</u>	<u>722,737</u>
Cash Disbursements:				
Current:				
General Government	125,514	10,409		135,923
Public Works	40,005	368,005		408,010
Health	3,378	16,806		20,184
Conservation - Recreation	8,250			8,250
Miscellaneous		50,841		50,841
Capital Outlay	27,280	2,049	136,305	165,634
	<u>204,427</u>	<u>448,110</u>	<u>136,305</u>	<u>788,842</u>
Total Cash Disbursements				
	<u>204,427</u>	<u>448,110</u>	<u>136,305</u>	<u>788,842</u>
Total Receipts Over/(Under) Disbursements	<u>(20,293)</u>	<u>3,783</u>	<u>(49,595)</u>	<u>(66,105)</u>
Other Financing Receipts and (Disbursements):				
Proceeds from Sale of Public Debt:				
Transfers-In		4,000		4,000
Transfers-Out	(4,000)			(4,000)
	<u>(4,000)</u>	<u>4,000</u>		<u>(4,000)</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(4,000)</u>	<u>4,000</u>		<u>(4,000)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(24,293)</u>	<u>7,783</u>	<u>(49,595)</u>	<u>(66,105)</u>
Fund Cash Balances, January 1	<u>168,528</u>	<u>345,404</u>	<u>97,500</u>	<u>611,432</u>
Fund Cash Balances, December 31	<u>\$144,235</u>	<u>\$353,187</u>	<u>\$47,905</u>	<u>\$545,327</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 - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Earnings on Investments	\$8		\$8
Operating Cash Disbursements:			
Supplies and Materials	36		36
Other		\$200	200
Total Operating Cash Disbursements	36	200	236
Net Receipts Over/(Under) Disbursements	(28)	(200)	(228)
Fund Cash Balances, January 1	2,775	200	2,975
Fund Cash Balances, December 31	<u>\$2,747</u>	<u>\$0</u>	<u>\$2,747</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 - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$52,840	\$266,458			\$319,298
Intergovernmental	103,912	107,004		84,913	295,829
Charges for Services	3,733				3,733
Licenses, Permits, and Fees	25	14,675			14,700
Earnings on Investments	9,741	1,099			10,840
Other Revenue	24,279	8,505			32,784
Total Cash Receipts	<u>194,530</u>	<u>397,741</u>		<u>84,913</u>	<u>677,184</u>
Cash Disbursements:					
Current:					
General Government	119,687	10,042			129,729
Public Works	34,841	339,280			374,121
Health	2,150	15,844			17,994
Conservation - Recreation	6,389				6,389
Miscellaneous		10,079			10,079
Capital Outlay	18,069			84,913	102,982
Total Cash Disbursements	<u>181,136</u>	<u>375,245</u>		<u>84,913</u>	<u>641,294</u>
Total Receipts Over/(Under) Disbursements	<u>13,394</u>	<u>22,496</u>			<u>35,890</u>
Other Financing Receipts and (Disbursements):					
Transfers-In	762	11,762			12,524
Transfers-Out	(11,762)		(477)	(285)	(12,524)
Total Other Financing Receipts/(Disbursements)	<u>(11,000)</u>	<u>11,762</u>	<u>(477)</u>	<u>(285)</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>2,394</u>	<u>34,258</u>	<u>(477)</u>	<u>(285)</u>	<u>35,890</u>
Fund Cash Balances, January 1	<u>166,134</u>	<u>311,146</u>	<u>477</u>	<u>97,785</u>	<u>575,542</u>
Fund Cash Balances, December 31	<u>\$168,528</u>	<u>\$345,404</u>	<u>\$0</u>	<u>\$97,500</u>	<u>\$611,432</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 - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Earnings on Investments	\$14		\$14
Operating Cash Disbursements:			
Supplies and Materials	42		42
Operating (Loss)	(28)		(28)
Fund Cash Balances, January 1	2,803	200	3,003
Fund Cash Balances, December 31	\$2,775	\$200	\$2,975

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

**MANTUA TOWNSHIP
PORTAGE COUNTY**

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

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 government services, including road and bridge maintenance and cemetery maintenance.

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 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 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 Fund - This fund receives property tax money for constructing, maintaining and repairing Township streets.

**MANTUA TOWNSHIP
PORTAGE COUNTY**

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

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Road Levy Fund - This fund receives property tax money for constructing, maintaining and repairing Township streets.

3. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had a Debt Service Fund for general debt retirement, in which the debt was retired in 2001.

4. Capital Project 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 project funds:

Public Works Project Fund - This fund receives money from a state grant to pay for certain paving projects within the Township.

5. Fiduciary Funds (Trust and Agency Funds)

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

Cemetery Bequest Funds - These funds are utilized as a non-expendable trust funds 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, 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. Appropriations lapse at year end

**MANTUA TOWNSHIP
PORTAGE COUNTY**

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

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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 investments 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:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$548,074	\$453,023
Certificates of deposit	-	161,384
Total deposits	<u>\$548,074</u>	<u>\$614,407</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**MANTUA TOWNSHIP
PORTAGE COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$166,882	\$184,134	\$17,252
Special Revenue	395,548	455,893	60,345
Capital Projects	114,800	86,710	(28,090)
Fiduciary	6,036	8	(6,028)
Total	\$683,266	\$726,745	\$43,479

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$303,419	\$208,427	\$94,992
Special Revenue	570,660	448,110	122,550
Capital Projects	212,300	136,305	75,995
Fiduciary	6,036	236	5,800
Total	\$1,092,415	\$793,078	\$299,337

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$186,682	\$195,292	\$8,610
Special Revenue	401,548	409,503	7,955
Debt Service	0	0	0
Capital Projects	105,693	84,913	(20,780)
Fiduciary	6,043	14	(6,029)
Total	\$699,966	\$689,722	(\$10,244)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$299,922	\$192,898	\$107,024
Special Revenue	541,050	375,245	165,805
Debt Service	0	477	(477)
Capital Projects	203,478	85,198	118,280
Fiduciary	6,042	42	6,000
Total	\$1,050,492	\$653,860	\$396,632

**MANTUA TOWNSHIP
PORTAGE COUNTY**

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Township Trustees. 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 payments, 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.

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. The plan provides 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 2003 and 2002, PERS member employees contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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**Auditor of State
Betty Montgomery**

**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 financial statements of the Mantua Township (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 4, 2004 wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed implemented, and as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 is required to be reported under *Government Auditing Standards*.

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.

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.

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

Betty Montgomery
Auditor of State

June 4, 2004



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

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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
JULY 8, 2004**