



**MANTUA TOWNSHIP  
PORTAGE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO  
AUDITOR OF STATE**

**STATE OF OHIO**



**MANTUA TOWNSHIP  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Fiduciary Fund Types – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

Mantua Township  
Portage County  
3898 Winchell Road  
Mantua, OH 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua Township, Portage County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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, 1999 and 1998, 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 1, 2000 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.

This report is intended solely for the information and use of the management, the Board 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, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 1, 2000



**MANTUA TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<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	\$39,092	\$200,277	\$27,578		\$266,947
Intergovernmental	148,091	98,578		\$177,400	424,069
Charges for Services	585				585
Licenses, Permits, and Fees	854	11,319			12,173
Earnings on Investments	9,009	2,115			11,124
Other Revenue	19,048	2,800			21,848
<b>Total Cash Receipts</b>	<u>216,679</u>	<u>315,089</u>	<u>27,578</u>	<u>177,400</u>	<u>736,746</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	119,063	9,880			128,943
Public Works	32,353	195,412			227,765
Health	1,754	15,965			17,719
Conservation - Recreation	2,840				2,840
Miscellaneous		77,842			77,842
Debt Service:					
Redemption of Principal			25,000		25,000
Interest and Fiscal Charges			2,129		2,129
Capital Outlay	25,536	3,196		177,400	206,132
<b>Total Cash Disbursements</b>	<u>181,546</u>	<u>302,295</u>	<u>27,129</u>	<u>177,400</u>	<u>688,370</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>35,133</u>	<u>12,794</u>	<u>449</u>		<u>48,376</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Transfers-In		6,000			6,000
Transfers-Out	(6,000)				(6,000)
Other Uses	(1,023)				(1,023)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(7,023)</u>	<u>6,000</u>			<u>(1,023)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>28,110</u>	<u>18,794</u>	<u>449</u>		<u>47,353</u>
<b>Fund Cash Balances, January 1</b>	<u>206,796</u>	<u>277,491</u>			<u>484,287</u>
Fund Balance Adjustment	350	(30)			320
<b>Adjusted Fund Balance, January 1</b>	<u>207,146</u>	<u>277,461</u>			<u>484,607</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$235,256</b></u>	<u><b>\$296,255</b></u>	<u><b>\$449</b></u>		<u><b>\$531,960</b></u>
Reserve for Encumbrances, December 31	<u>\$2,307</u>	<u>\$17,937</u>			<u>\$20,244</u>

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

**MANTUA TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Interest	\$43		\$43
Other		\$951	951
	<u>43</u>	<u>951</u>	<u>994</u>
Total Operating Cash Receipts	<u>43</u>	<u>951</u>	<u>994</u>
<b>Operating Cash Disbursements:</b>			
Supplies and Materials	50		50
Other		951	951
	<u>50</u>	<u>951</u>	<u>1,001</u>
Total Operating Cash Disbursements	<u>50</u>	<u>951</u>	<u>1,001</u>
Net Receipts Over (Under) Disbursements	(7)		(7)
Fund Cash Balances, January 1	<u>2,836</u>		<u>2,836</u>
<b>Fund Cash Balances, December 31</b>	<b><u>2,829</u></b>		<b><u>2,829</u></b>

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



**MANTUA TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$38,453	\$224,897		\$263,350
Intergovernmental	116,075	96,576	\$141,602	354,253
Licenses, Permits, and Fees	49	14,401		14,450
Earnings on Investments	7,475	1,505		8,980
Other Revenue	15,673	4,360		20,033
	<u>177,725</u>	<u>341,739</u>	<u>141,602</u>	<u>661,066</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	95,197	10,378		105,575
Public Works	25,045	237,499		262,544
Health	1,576	13,474		15,050
Conservation - Recreation	3,335			3,335
Miscellaneous		127,510		127,510
Capital Outlay	1,208	1,433	141,602	144,243
	<u>126,361</u>	<u>390,294</u>	<u>141,602</u>	<u>658,257</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	51,364	(48,555)		2,809
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		75,000		75,000
Transfers-In		4,000		4,000
Transfers-Out	(4,000)			(4,000)
Other Sources	6,586			6,586
Other Uses	(8,525)			(8,525)
	<u>(5,939)</u>	<u>79,000</u>		<u>73,061</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	45,425	30,445		75,870
Fund Cash Balances, January 1	161,371	246,906		408,277
Fund Balance Adjustment		140		140
Adjusted Fund Balance, January 1	<u>161,371</u>	<u>247,046</u>		<u>408,417</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$206,796</u></b>	<b><u>\$277,491</u></b>		<b><u>\$484,287</u></b>
Reserve for Encumbrances, December 31	<u>\$17,685</u>	<u>\$27,498</u>	<u>\$76,800</u>	<u>\$121,983</u>

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

**MANTUA TOWNSHIP  
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Fiduciary Fund Type</b>
	<b>Nonexpendable Trust</b>
<b>Operating Cash Receipts:</b>	
Interest	\$60
Total Operating Cash Receipts	60
<b>Operating Cash Disbursements:</b>	
Supplies and Materials	42
Total Operating Cash Disbursements	42
Net Receipts Over Disbursements	18
Fund Cash Balances, January 1	2,818
<b>Fund Cash Balances, December 31</b>	<b>\$2,836</b>

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

**MANTUA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**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**

The Township's certificates of deposit are valued at cost.

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.

**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 Funds**

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 roads and bridges.

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

**MANTUA TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township has one Debt Service Fund for general note retirement.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project funds:

*Public Works Project Fund* - The Township received grants in 1998 and 1999 from the State of Ohio to perform paving projects and improvements on Township roads.

*Winchell Wayne Paving Fund* - The Township received a grant in 1999 from the State of Ohio to perform paving on two specific Township roads.

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

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

*Flow Through Agency Fund* - In 1999, this fund accounted for the collection of money from a former employee to pay for his continuation of health coverage. The Township collected the money on behalf of American Community Mutual Insurance.

**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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

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

A summary of 1999 and 1998 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. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**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>1999</u>	<u>1998</u>
Demand deposits	\$391,065	\$356,523
Certificates of deposit	143,724	130,600
Total deposits	<u>\$534,789</u>	<u>\$487,123</u>

**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 ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$141,274	\$216,679	\$75,405
Special Revenue	308,619	321,089	12,470
Debt Service	27,578	27,578	0
Capital Projects	178,200	177,400	(800)
Non-Expendable Trust	1,426	43	(1,383)
Total	<u>\$657,097</u>	<u>\$742,789</u>	<u>\$85,692</u>

**MANTUA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$278,455	\$190,876	\$87,579
Special Revenue	399,648	320,232	79,416
Debt Service	27,578	27,129	449
Capital Projects	178,200	177,400	800
Non-Expendable Trust	50	50	0
Total	<u>\$883,931</u>	<u>\$715,637</u>	<u>\$168,244</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$135,245	\$184,311	\$49,066
Special Revenue	405,518	420,739	15,221
Capital Projects	223,597	141,602	(81,995)
Non-Expendable Trust	80	60	(20)
Total	<u>\$764,440</u>	<u>\$746,712</u>	<u>(\$17,728)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$205,200	\$156,571	\$48,629
Special Revenue	403,200	417,792	(14,592)
Capital Projects	223,597	218,402	5,195
Non-Expendable Trust	50	42	8
Total	<u>\$832,047</u>	<u>\$792,807</u>	<u>\$39,240</u>

**4. PROPERTY TAX**

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

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

**MANTUA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Tax Anticipation Note	\$50,000	3.75%
Total	\$50,000	

The tax anticipation note was issued to finance the performance of the Allyn Roads and Sheldon Road paving project by the Township. The note is collateralized solely by the Township's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Tax Anticipation Note
2000	\$26,641
2001	25,703
Total	\$52,344

**6. RETIREMENT SYSTEMS**

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

For 1999 and 1998, members of PERS 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, 1999.

**7. RISK MANAGEMENT**

The Township is a member of the Ohio Government Risk Management Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Comprehensive general liability and casualty
- Public official's liability
- Business Auto Coverage
- Commercial Property
- Real and Personal Property
- Commercial Inland Marine
- Valuable Papers
- Business and Electrical equipment coverage

The Township also provides health and life insurance coverage to full-time employees through a private carrier.

**This page intentionally left blank.**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Mantua Township  
Portage County  
3898 Winchell Road  
Mantua, OH 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua Township, Portage County, Ohio (the Township), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 1, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 1, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 1, 2000.

This report is intended for the information and use of management and the 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, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 1, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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 25, 2000**