



Mary Taylor, CPA  
Auditor of State



**MANTUA TOWNSHIP  
PORTAGE COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Mantua Township  
Portage County  
3898 Winchell Road  
Mantua, Ohio 44255

To the Board of Trustees:

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 (the Township), as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township, Portage County, Ohio, as of December 31, 2005 and 2004, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gas Tax, Road and Bridge, and Road Levy Funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

For the years ended December 31, 2005 and 2004, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

April 5, 2007

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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This discussion and analysis of Mantua Township's financial performance provides an overall review of Mantua Township's financial activities for the years ended December 31, 2005 and 2004, 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 highlights for 2005 are as follows:

Net assets of governmental activities decreased \$19,393, or 2 percent, an insignificant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the Road and Bridge Fund, but the Road Levy Fund increased by approximately the same amount.

The Township's general receipts are primarily property taxes and intergovernmental revenue. These receipts represent 43 and 48 percent, respectively the total cash received for governmental activities during the year. Property tax receipts for 2005 decreased by \$2,065 compared to 2004.

Pioneer Trail east of State Route 44 and Mennonite Road east of Mantua Village were paved during 2005, but completion of this project has been delayed. Road striping and guard rails still need to be installed. Total cost of this project is expected to be just over \$215,700, with 60 percent of the project to be paid by a grant from the Ohio Public Works Commission.

Key highlights for 2004 are as follows:

Calendar 2004 saw an increase in cash and cash equivalents were the General Fund and the new Mantua Center School Capital Projects fund. The purchase of the Mantua Center School Building through a lease purchase agreement with the Ohio Township Association Leasing Corp. and the sale of the recently abandoned fire station at 4650 West High Street to Mantua Village provided the main increases in these funds. Normal operating activities in the General Fund actually cost more than the normal operating revenues.

The Township's general receipts are primarily property taxes and reimbursements of state revenues. These receipts represent respectively 58 percent and 33 percent of the total cash received for governmental activities during the year. Property taxes and intergovernmental receipts for 2004 decreased by 15 percent from 2003 and operating program receipts were 8 percent lower than budgeted.

This year is the first year that the Township did not receive any Estate tax revenues.

Winchell Road was paved between Mantua Center Road and Chamberlain Road, but was not paid for until 2005. This project cost over \$140,000 and was financed with a 60 percent grant from the Ohio Public Works Commission.

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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**Using the Basic Financial Statements**

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

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2005 and 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.



Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you 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, you 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 lease obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

The Township only has the Governmental type of activities; thus, the statement of net assets and the statement of activities will show only Governmental type activities:

Governmental activities. Most of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Government'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 generally split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major 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 Gas Tax Fund, The Road and Bridge Fund, The Road Levy Fund, and the Mantua Center School 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 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  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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**The Government as a Whole**

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities	
	2005	2004
<b>Assets</b>		
Cash and Cash Equivalents	\$ 632,316	\$ 645,407
Investments	92,026	98,328
<b>Total Assets</b>	<b>\$ 724,342</b>	<b>\$ 743,735</b>
<b>Net Assets</b>		
Restricted for:		
Capital Outlay	\$ 124,962	\$ 133,247
Other Purposes	1,101	1,101
Unrestricted	598,279	609,387
<b>Total Net Assets</b>	<b>\$ 724,342</b>	<b>\$ 743,735</b>

As mentioned previously, Calendar 2004 saw an increase in net assets. The primary reasons contributing to the changes in cash balances are as follows:

- Sale of building at 4650 West High Street brought in \$145,000. This money will be used for capital improvements within the General Fund
- Purchase of the Mantua Center Elementary School for \$147,500 through a lease-purchase plan with the Ohio Township Leasing Corporation. Additional monies were acquired through the lease process to pay for renovating the building into a township Administration building.

Net assets of governmental activities decreased \$ 19,393 or 2.6 percent during 2005. The Township feels that this change is insignificant.

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

Table 2 reflects the changes in net assets in 2005 and 2004.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities 2005	Governmental Activities 2004
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$52,050	\$52,983
Operating Grants and Contributions	98,070	107,110
Capital Grants and Contributions	142,755	0
Total Program Receipts	292,875	160,093
General Receipts:		
Property and Other Local Taxes	364,186	362,121
Grants and Entitlements Not Restricted to Specific Programs	157,684	102,111
Interest	22,058	5,781
Miscellaneous	3,071	405,050
Total General Receipts	546,999	875,063
Total Receipts	839,874	1,035,156
Disbursements:		
General Government	208,076	160,711
Security of Persons and Property:		
Public Health Services	19,811	18,214
Public Works	387,795	373,330
Conservation/Recreation	8,727	9,367
Other	70,806	56,281
Transportation		
Capital Outlay	164,052	221,591
Total Disbursements	859,267	839,494
Excess (Deficiency) Before Transfers	(19,393)	195,662
Transfers		
Increase (Decrease) in Net Assets	(19,393)	195,662
Net Assets, January 1	743,735	548,073
Net Assets, December 31	\$724,342	\$743,735

Table 2 reflects the changes in net assets in 2005 and 2004. Since the Township did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented for that year.

Program receipts represent only 48 percent and 37 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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General receipts represent 65 percent during calendar 2005 and 85 percent during calendar 2004 of the Township's total receipts, and of this amount, over 43 percent during calendar 2005 and 35 percent during calendar 2004 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (57 percent and 44 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

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, we try to limit these costs.

**Governmental Activities**

If you look at the Statement of Activities on page 3, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for maintenance of roads, which accounts for 45 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 20-24 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. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost Of Services 2005	Net Cost of Services 2005	Total Cost Of Services 2004	Net Cost of Services 2004
General Government	\$208,075	(\$170,270)	\$160,712	(\$129,541)
Security of Persons and Property				
Public Health Services	19,811	(5,566)	18,214	(749)
Public Works	387,795	(146,970)	373,330	(267,488)
Conservation/Recreation	8,727	(8,727)	9,367	(3,752)
Other	70,807	(70,807)	56,281	(56,281)
Transportation				
Capital Outlay	164,053	(164,053)	221,591	(221,591)
Total Expenses	<u>\$859,268</u>	<u>(\$566,393)</u>	<u>\$839,495</u>	<u>(\$679,402)</u>

The dependence upon property tax receipts is apparent as over 63 percent and 81 percent respectively of governmental activities are supported through these general receipts.

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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**The Township's Funds**

Total governmental funds for 2005 had receipts of \$838,549 and disbursements of \$859,267. The greatest change within governmental funds occurred within the Road and Bridge Fund. The fund balance of the Road and Bridge Fund decreased \$28,288 as the result of increased costs for gasoline, equipment and road repairs.

Total governmental funds for 2004 had operating receipts of \$630,156 and operating disbursements of \$839,494. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$99,708, mainly as the result the sale of the building, and of holding off of other projects which were budgeted to be completed.

**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.

During 2005, the Township amended its General Fund budget once to reflect changing circumstances. Final budgeted receipts were \$11,190 above original budgeted receipts. Significant estate tax was collected in 2005, in contrast to none in 2004. Earnings on investments also increased, due to increasing interest rates. The difference between final budgeted receipts and actual receipts was significant.

Final disbursements were budgeted at \$352,990 while actual disbursements were \$238,098. Capital projects budgeted within the General Fund failed to materialize, as uncertainty about the cost of the Mantua Center School project continued into 2006. The Township kept other spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the decrease in fund balance of only \$8,767 for 2005.

During 2004, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were below original budgeted receipts due to unexpected slow growth in tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

Final General Fund disbursements were budgeted at \$538,753 while actual disbursements were \$200,849. Although receipts failed to live up to expectations, appropriations were not reduced. The Township kept spending very close to budgeted amounts and did not do capital projects, as demonstrated by the minor reported variances.

**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. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We will continue to serve the citizens of Mantua Township within our budget capability.

Mantua Township  
Management's Discussion and Analysis  
For the Years Ended December 31, 2005 and 2004  
-Unaudited-

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**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Marie Louise Stehli, Fiscal Officer, 3898 Winchell Road, Mantua, Ohio, 44255.

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2005*

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$724,342	\$724,342
<i>Total Assets</i>	<i>724,342</i>	<i>724,342</i>
 <b>Net Assets</b>		
Restricted for:		
Capital Projects	124,962	124,962
Permanent Fund Purpose - Bequest		
Expendable	436	436
Nonexpendable	225	225
Permanent Fund Purpose - Bequest		
Expendable	293	293
Nonexpendable	176	176
Permanent Fund Purpose - Bequest		
Expendable	142	142
Nonexpendable	100	100
Permanent Fund Purpose - Bequest		
Expendable	168	168
Nonexpendable	100	100
Permanent Fund Purpose - Bequest		
Expendable	577	577
Nonexpendable	500	500
Other Purposes	361,487	361,487
Unrestricted	235,176	235,176
<i>Total Net Assets</i>	<i>\$724,342</i>	<i>\$724,342</i>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2005*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<b>Governmental Activities</b>						
General Government	\$208,075	\$37,805			(\$170,270)	(\$170,270)
Public Works	387,795		\$ 98,070	\$ 142,755	(146,970)	(146,970)
Health	19,811	14,245			(5,566)	(5,566)
Conservation-Recreation	8,727				(8,727)	(8,727)
Capital Outlay	164,053				(164,053)	(164,053)
Debt Service:	70,806				(70,806)	(70,806)
<i>Total Governmental Activities</i>	<u>859,267</u>	<u>52,050</u>	<u>98,070</u>	<u>142,755</u>	<u>(566,392)</u>	<u>(566,392)</u>
<b>Total</b>	<u>\$859,267</u>	<u>\$52,050</u>	<u>\$98,070</u>	<u>\$142,755</u>	<u>(566,392)</u>	<u>(566,392)</u>
<b>General Receipts</b>						
Property Taxes Levied for:						
General Purposes					364,186	364,186
Grants and Entitlements not Restricted to Specific Programs					157,684	157,684
Sale of Capital Assets					1,325	1,325
Earnings on Investments					22,058	22,058
Miscellaneous					1,746	1,746
<i>Total General Receipts</i>					<u>546,999</u>	<u>546,999</u>
Change in Net Assets					(19,393)	(19,393)
<i>Net Assets Beginning of Year</i>					<u>743,735</u>	<u>743,735</u>
<i>Net Assets End of Year</i>					<u>\$724,342</u>	<u>\$724,342</u>

See accompanying notes to the basic financial statements



**MANTUA TOWNSHIP  
PORTAGE COUNTY**  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
December 31, 2005

	General	Road and Bridge Fund	Road Levy Fund	Public Works Commission Fund	Mantua Center School Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$235,176	\$128,244	\$128,220		\$92,026	\$140,676	\$724,342
<i>Total Assets</i>	<u>235,176</u>	<u>128,244</u>	<u>128,220</u>	<u>-</u>	<u>92,026</u>	<u>140,676</u>	<u>724,342</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	20,710	19,137	60,260		3,029	197,400	300,536
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	214,466						214,466
Special Revenue Funds		109,107	67,960			104,922	281,989
Capital Projects Funds					88,997	(164,364)	(75,367)
Permanent Fund						2,718	2,718
<i>Total Fund Balances</i>	<u>\$235,176</u>	<u>\$128,244</u>	<u>\$128,220</u>	<u>\$0</u>	<u>\$92,026</u>	<u>\$140,676</u>	<u>\$724,342</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Road and Bridge Fund	Road Levy Fund	Public Works Commission Fund	Mantua Center School Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$57,352	\$209,774	\$97,060				\$364,186
Charges for Services	7,502						7,502
Licenses, Permits and Fees	471					\$16,968	17,439
Intergovernmental	121,187	25,191	11,307	\$ 142,755		98,070	398,510
Earnings on Investments	17,286				\$ 2,570	2,202	22,058
Other	24,208	120				4,526	28,854
<i>Total Receipts</i>	<u>228,006</u>	<u>235,085</u>	<u>108,367</u>	<u>142,755</u>	<u>2,570</u>	<u>121,766</u>	<u>838,549</u>
<b>Disbursements</b>							
Current:							
General Government	196,032				364	11,680	208,076
Public Works	1,541	262,525	25,210			98,519	387,795
Health	858					18,953	19,811
Conservation-Recreation	8,727						8,727
Other			70,806				70,806
Capital Outlay	11,940	849		142,755	8,508		164,052
<i>Total Disbursements</i>	<u>219,098</u>	<u>263,374</u>	<u>96,016</u>	<u>142,755</u>	<u>8,872</u>	<u>129,152</u>	<u>859,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,908</u>	<u>(28,289)</u>	<u>12,351</u>	<u>0</u>	<u>(6,302)</u>	<u>(7,386)</u>	<u>(20,718)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Capital Assets	1,325						1,325
Transfers In						19,000	19,000
Transfers Out	(19,000)						(19,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(17,675)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,000</u>	<u>1,325</u>
<i>Net Change in Fund Balances</i>	(8,767)	(28,289)	12,351	0	(6,302)	11,614	(19,393)
<i>Fund Balances Beginning of Year</i>	<u>243,943</u>	<u>156,533</u>	<u>115,869</u>	<u>0</u>	<u>98,328</u>	<u>129,062</u>	<u>743,735</u>
<i>Fund Balances End of Year</i>	<u>\$235,176</u>	<u>\$128,244</u>	<u>\$128,220</u>	<u>\$0</u>	<u>\$92,026</u>	<u>\$140,676</u>	<u>\$724,342</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2005*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$4,719
<i>Total Assets</i>	<u>4,719</u>
<b>Net Assets</b>	
Unrestricted	<u>\$4,719</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis*

*General Fund*

*For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$59,005	\$59,195	\$57,352	(\$1,843)
Charges for Services	5,000	5,000	7,502	2,502
Licenses, Permits and Fees	100	100	471	371
Intergovernmental	88,100	102,100	121,187	19,087
Earnings on Investments	8,000	5,000	17,286	12,286
Other	22,000	22,000	24,208	2,208
<i>Total receipts</i>	<u>182,205</u>	<u>193,395</u>	<u>228,006</u>	<u>34,611</u>
<b>Disbursements</b>				
Current:				
General Government	230,823	232,965	196,032	36,933
Public Works	1,600	1,600	1,541	59
Health	1,400	4,100	858	3,242
Conservation-Recreation	9,300	9,475	8,727	748
Capital Outlay	78,000	80,850	11,940	68,910
<i>Total Disbursements</i>	<u>321,123</u>	<u>328,990</u>	<u>219,098</u>	<u>109,892</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(138,918)</u>	<u>(135,595)</u>	<u>8,908</u>	<u>144,503</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets			1,325	1,325
Transfers Out	(24,000)	(24,000)	(19,000)	5,000
<i>Total Other Financing Sources (Uses)</i>	<u>(24,000)</u>	<u>(24,000)</u>	<u>(17,675)</u>	<u>6,325</u>
<i>Net Change in Fund Balance</i>	(162,918)	(159,595)	(8,767)	150,828
<i>Fund Balance Beginning of Year</i>	<u>226,155</u>	<u>241,960</u>	<u>243,943</u>	<u>1,983</u>
<i>Fund Balance End of Year</i>	<u><u>\$63,237</u></u>	<u><u>\$82,365</u></u>	<u><u>\$235,176</u></u>	<u><u>\$152,811</u></u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$207,352	\$207,716	\$209,774	\$2,058
Intergovernmental	20,000	24,000	25,191	1,191
Other			120	120
<i>Total receipts</i>	<u>227,352</u>	<u>231,716</u>	<u>235,085</u>	<u>3,369</u>
<b>Disbursements</b>				
Current:				
Public Works	310,600	315,770	262,525	53,245
Capital Outlay	5,000	3,600	849	2,751
<i>Total Disbursements</i>	<u>315,600</u>	<u>319,370</u>	<u>263,374</u>	<u>55,996</u>
<i>Net Change in Fund Balance</i>	(88,248)	(87,654)	(28,289)	59,365
<i>Fund Balance Beginning of Year</i>	<u>156,533</u>	<u>156,533</u>	<u>156,533</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$68,285</u>	<u>\$68,879</u>	<u>\$128,244</u>	<u>\$59,365</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Road Levy Fund  
For the Year Ended December 31, 2005*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$93,515	\$95,215	\$97,060	\$1,845
Intergovernmental	11,300	11,300	11,307	7
<i>Total receipts</i>	<u>104,815</u>	<u>106,515</u>	<u>108,367</u>	<u>1,852</u>
<b>Disbursements</b>				
Current:				
Public Works	80,000	41,343	25,210	16,133
Other	90,000	128,657	70,806	57,851
<i>Total Disbursements</i>	<u>170,000</u>	<u>170,000</u>	<u>96,016</u>	<u>73,984</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(65,185)</u>	<u>(63,485)</u>	<u>12,351</u>	<u>75,836</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In				
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(65,185)	(63,485)	12,351	75,836
<i>Fund Balance Beginning of Year</i>	<u>100,869</u>	<u>100,869</u>	<u>115,869</u>	<u>15,000</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,684</u></u>	<u><u>\$37,384</u></u>	<u><u>\$128,220</u></u>	<u><u>\$90,836</u></u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2004*

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$743,735	\$743,735
<i>Total Assets</i>	<u>743,735</u>	<u>743,735</u>
<b>Net Assets</b>		
Restricted for:		
Capital Projects	133,247	133,247
Permanent Fund Purpose - Bequest		
Expendable	436	436
Nonexpendable	225	225
Permanent Fund Purpose - Bequest		
Expendable	294	294
Nonexpendable	176	176
Permanent Fund Purpose - Bequest		
Expendable	143	143
Nonexpendable	100	100
Permanent Fund Purpose - Bequest		
Expendable	169	169
Nonexpendable	100	100
Permanent Fund Purpose - Bequest		
Expendable	575	575
Nonexpendable	500	500
Other Purposes	363,827	363,827
Unrestricted	<u>243,943</u>	<u>243,943</u>
<i>Total Net Assets</i>	<u>\$743,735</u>	<u>\$743,735</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP**  
**PORTAGE COUNTY**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2004*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Total
<b>Governmental Activities</b>					
General Government	\$160,711	\$29,903	\$1,268	(\$129,540)	(\$129,540)
Public Works	373,330		105,842	(267,488)	(267,488)
Health	18,214	17,465		(749)	(749)
Conservation-Recreation	9,367	5,615		(3,752)	(3,752)
Capital Outlay	221,591			(221,591)	(221,591)
Other	56,281			(56,281)	(56,281)
<i>Total Governmental Activities</i>	839,494	52,983	107,110	(679,401)	(679,401)
<b>Total</b>	\$839,494	\$52,983	\$107,110	(679,401)	(679,401)
<b>General Receipts</b>					
Property Taxes Levied for:					
General Purposes				362,121	362,121
Grants and Entitlements not Restricted to Specific Programs				102,111	102,111
Sale of Capital Assets				145,000	145,000
Earnings on Investments				5,781	5,781
Miscellaneous				260,050	260,050
<i>Total General Receipts</i>				875,063	875,063
Change in Net Assets				195,662	195,662
<i>Net Assets Beginning of Year</i>				548,073	548,073
<i>Net Assets End of Year</i>				\$743,735	\$743,735

See accompanying notes to the basic financial statements



**MANTUA TOWNSHIP  
PORTAGE COUNTY**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2004*

	General	Gasoline Tax Fund	Road and Bridge Fund	Road Levy Fund	Mantua Center School Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$243,943	\$53,421	\$156,533	\$115,869	\$98,328	\$75,641	\$743,735
<i>Total Assets</i>	<u>243,943</u>	<u>53,421</u>	<u>156,533</u>	<u>115,869</u>	<u>98,328</u>	<u>75,641</u>	<u>743,735</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	9,033		3,892		7,588	143,323	163,836
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	234,910						234,910
Special Revenue Funds		53,421	152,641	115,869		54,986	376,917
Capital Projects Funds					90,740	(125,386)	(34,646)
Permanent Fund						2,718	2,718
<i>Total Fund Balances</i>	<u>\$243,943</u>	<u>\$53,421</u>	<u>\$156,533</u>	<u>\$115,869</u>	<u>\$98,328</u>	<u>\$75,641</u>	<u>\$743,735</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2004*

	General	Gasoline Tax Fund	Road and Bridge Fund	Road Levy Fund	Mantua Center School Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$56,922		\$208,203	\$96,996			\$362,121
Charges for Services	5,320						5,320
Licenses, Permits and Fees	142					\$21,956	22,098
Intergovernmental	66,716	\$ 71,857	34,040	10,969		23,457	207,039
Earnings on Investments	4,724	364			\$1,030	577	6,695
Other	21,733		20			5,130	26,883
<i>Total Receipts</i>	<u>155,557</u>	<u>72,221</u>	<u>242,263</u>	<u>107,965</u>	<u>1,030</u>	<u>51,120</u>	<u>630,156</u>
<b>Disbursements</b>							
Current:							
General Government	149,196					11,515	160,711
Public Works	19,284	53,633	188,644	67,769		44,000	373,330
Health						18,214	18,214
Conservation-Recreation	9,367						9,367
Other				56,281			56,281
Capital Outlay	20,002		8,898		162,702	29,989	221,591
<i>Total Disbursements</i>	<u>197,849</u>	<u>53,633</u>	<u>197,542</u>	<u>124,050</u>	<u>162,702</u>	<u>103,718</u>	<u>839,494</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(42,292)</u>	<u>18,588</u>	<u>44,721</u>	<u>(16,085)</u>	<u>(161,672)</u>	<u>(52,598)</u>	<u>(209,338)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Capital Assets	145,000						145,000
Transfers In						3,000	3,000
Transfers Out	(3,000)						(3,000)
Other Financing Sources					260,000		260,000
<i>Total Other Financing Sources (Uses)</i>	<u>142,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>260,000</u>	<u>3,000</u>	<u>405,000</u>
<i>Net Change in Fund Balances</i>	99,708	18,588	44,721	(16,085)	98,328	(49,598)	195,662
<i>Fund Balances Beginning of Year</i>	<u>144,235</u>	<u>34,833</u>	<u>111,812</u>	<u>131,954</u>		<u>125,239</u>	<u>548,073</u>
<i>Fund Balances End of Year</i>	<u>\$243,943</u>	<u>\$53,421</u>	<u>\$156,533</u>	<u>\$115,869</u>	<u>\$98,328</u>	<u>\$75,641</u>	<u>\$743,735</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2004*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$53,462	\$59,005	\$56,922	\$ (2,083)
Charges for Services	5,000	5,000	5,320	320
Licenses, Permits and Fees	100	100	142	42
Intergovernmental	85,100	63,100	66,716	3,616
Earnings on Investments	10,000	10,000	4,724	(5,276)
Other	27,000	27,000	21,733	(5,267)
<i>Total receipts</i>	<u>180,662</u>	<u>164,205</u>	<u>155,557</u>	<u>(8,648)</u>
<b>Disbursements</b>				
Current:				
General Government	171,452	175,728	149,196	26,532
Public Works	18,700	20,050	19,284	766
Health	1,400	1,400		1,400
Conservation-Recreation	8,900	10,200	9,367	833
Capital Outlay	103,000	317,375	20,002	297,373
<i>Total Disbursements</i>	<u>303,452</u>	<u>524,753</u>	<u>197,849</u>	<u>326,904</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(122,790)</u>	<u>(360,548)</u>	<u>(42,292)</u>	<u>318,256</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets		160,000	145,000	(15,000)
Transfers Out	(14,000)	(14,000)	(3,000)	11,000
<i>Total Other Financing Sources (Uses)</i>	<u>(14,000)</u>	<u>146,000</u>	<u>142,000</u>	<u>(4,000)</u>
<i>Net Change in Fund Balance</i>	(136,790)	(214,548)	99,708	314,256
<i>Fund Balance Beginning of Year</i>	<u>144,235</u>	<u>144,235</u>	<u>144,235</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$7,445</u>	<u>(\$70,313)</u>	<u>\$243,943</u>	<u>\$314,256</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Gas Tax Fund  
For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$50,000	\$50,000	\$71,857	\$21,857
Earnings on Investments	1000	1000	364	(636)
<i>Total receipts</i>	<u>51,000</u>	<u>51,000</u>	<u>72,221</u>	<u>21,221</u>
<b>Disbursements</b>				
Current:				
Public Works	55,000	55,000	53,633	1,367
<i>Total Disbursements</i>	<u>55,000</u>	<u>55,000</u>	<u>53,633</u>	<u>1,367</u>
<i>Net Change in Fund Balance</i>	(4,000)	(4,000)	18,588	22,588
<i>Fund Balance Beginning of Year</i>	<u>30,489</u>	<u>34,833</u>	<u>34,833</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,489</u></u>	<u><u>\$30,833</u></u>	<u><u>\$53,421</u></u>	<u><u>\$22,588</u></u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$176,028	\$207,352	\$208,203	\$851
Intergovernmental	20,000	27,335	34,040	6,705
Other			20	20
<i>Total receipts</i>	<u>196,028</u>	<u>234,687</u>	<u>242,263</u>	<u>7,576</u>
<b>Disbursements</b>				
Current:				
Public Works	221,900	230,818	188,644	42,174
Capital Outlay	59,000	56,000	8,898	47,102
<i>Total Disbursements</i>	<u>280,900</u>	<u>286,818</u>	<u>197,542</u>	<u>89,276</u>
<i>Net Change in Fund Balance</i>	(84,872)	(52,131)	44,721	(81,700)
<i>Fund Balance Beginning of Year</i>	<u>111,812</u>	<u>111,812</u>	<u>111,812</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$26,940</u>	<u>\$59,681</u>	<u>\$156,533</u>	<u>(\$81,700)</u>

See accompanying notes to the basic financial statements

**MANTUA TOWNSHIP  
PORTAGE COUNTY**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Road Levy Fund  
For the Year Ended December 31, 2004*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$91,779	\$93,515	\$96,996	\$3,481
Intergovernmental	11,300	11,300	10,969	(331)
<i>Total receipts</i>	<u>103,079</u>	<u>104,815</u>	<u>107,965</u>	<u>3,150</u>
<b>Disbursements</b>				
Current:				
Public Works	85,000	85,000	67,769	17,231
Other	90,000	90,000	56,281	33,719
<i>Total Disbursements</i>	<u>175,000</u>	<u>175,000</u>	<u>124,050</u>	<u>50,950</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(71,921)</u>	<u>(70,185)</u>	<u>(16,085)</u>	<u>54,100</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(15,000)	(15,000)		15,000
<i>Total Other Financing Sources (Uses)</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(86,921)	(85,185)	(16,085)	69,100
<i>Fund Balance Beginning of Year</i>	<u>131,954</u>	<u>131,954</u>	<u>131,954</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45,033</u>	<u>\$46,769</u>	<u>\$115,869</u>	<u>\$69,100</u>

See accompanying notes to the basic financial statements

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**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 were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township is a member of the Mantua-Shalersville Fire District, which provides for fire protection and EMS services. Police protection is provided by the Portage County Sheriff.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; 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. (*Auditor of State Bulletin 2004-001 provides guidance on determining significance.*) Mantua Township has no component units.

The Township participates in one jointly governed organization. This organization is the Mantua-Shalersville Fire District.

The financial statements do not include 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.

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). 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.

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 2 – Summary of Significant Accounting Policies - (Continued)**

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial 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 and investments 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.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental, and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Road Levy Fund, the Public Works Fund, and the Mantua Center School Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax fund is used to account for revenues derived from gasoline tax on sales within the State of Ohio. It is then divided among the various governmental entities.



Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 2 – Summary of Significant Accounting Policies - (Continued)**

The Township usually pays road salaries from this fund. 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 38% of the funds expended for Township operations. The Public Works fund accounts for monies paid to contractors by the Ohio Public Works Commission on behalf of the Township. The Mantua Center School Fund accounts for monies used to purchase and remodel the Mantua Center Elementary School into a new Mantua Township Administration Building.

The other governmental funds of the Township account for grants and other resources whose uses are restricted to particular purposes.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township does not have any Trust Funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for Fire and Property insurance proceeds held in accordance with Ohio Revised Code.

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 a 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 fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 2 – Summary of Significant Accounting Policies - (Continued)**

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 invested. Individual fund integrity is maintained through Township records.

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.

During 2005 and 2004, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

During 2005 and 2004 the Township invested in nonnegotiable certificates of deposit and a money market mutual fund containing the remaining proceeds of Certificates of Participation used to finance the purchase and remodeling of the Mantua Center School building. The nonnegotiable certificates of deposit are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by the Bank of New York on December 31, 2005 and 2004 respectively.

Earnings on investments are allocated to Township funds according to State statutes, or debt related restrictions. Earnings on investments credited to the General Fund during 2005 equaled \$17,286 and during 2004 a total of \$4,724.

**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. Restricted assets represent amounts set aside for the purchase of a new truck for the Road Department. These assets have been set aside in the Miscellaneous Capital Projects Fund during 2005.

**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 as assets 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.

**Note 2 – Summary of Significant Accounting Policies - (Continued)**

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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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. Net assets restricted for other purposes include resources restricted purchase of a new truck for the Road Department. At the end of 2005 there was \$32,936 saved for a new truck in the Miscellaneous Capital Projects Fund.

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. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. These reserves exist in the Cemetery Bequest funds. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances outstanding at year end.

N. 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 and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

A. Accountability

In 2003 the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. In 2004 the Township implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary 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 are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end 2005 amounted to \$20,710 for the General Fund, \$19,138 for the Road & Bridge Fund, \$60,260 for the Road Levy Fund, \$3,029 for the Mantua Center School Fund and \$197,400 for all other Governmental Funds. During calendar 2004, the encumbrances outstanding were (budgetary basis) amounted to \$9,033 for the General Fund, \$3,892 for the Road & Bridge Fund, \$7,588 for the Mantua Center School Fund and \$143,323 for all other Governmental Funds.

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 5 – Deposits and Investments - (Continued)**

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 (STAR Ohio).

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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. Payment for investments may be made only upon delivery of the securities representing the investments to the Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had no undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

**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 year end 2005, \$621,638 of the Township's bank balance of \$729,061 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. 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 one hundred five percent of the deposits being secured. Mantua Township's public deposits are collateralized by pooled securities, in accordance with Ohio law.

At 2004 year end, the carrying amount of the Township's deposits was \$743,735 and the bank balance was the same. Of the bank balance \$100,000 was covered by federal depository insurance and the rest was collateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 5 – Deposits and Investments - (Continued)**

The Township's investments are required to be categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the Township's name.

**Interest rate risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the Township invests primarily in short-term investments maturing in a relatively short period of time from the date of purchase.

**Credit Risk** The Township limits its investment choices to those investments maturing within a relatively short period of time.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**Concentration Credit Risk** The Township places no limit on the amount it may invest in short term investments.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. 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 February 15; if paid semiannually, the first payment is due December 31, with the remainder payable by July 15. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2004, (2005) became a lien on December 31, 2003, (2004), were levied after October 1, 2003, (2004), 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.

Tangible personal property tax receipts received in 2004 (2005) (other than public utility property) represent the collection of 2004, (2005) taxes. Tangible personal property taxes received in 2004, (2005) were levied after October 1, 2003, (2004), on the true value as of December 31, 2003, (2004). Tangible personal property is currently assessed at 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 year ended December 31, 2005 and 2004 was \$4.3 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 6 – Property Taxes (Continued)**

Real Property		2005		2004
Residential & Agricultural	\$	91,586,780	\$	89,351,590
Manufactured Home		389,840		312,510
Commercial/Industrial/Mineral		6,303,480		6,226,990
Public Utility Property				
Real		5,980		6,030
Personal		2,632,040		2,640,600
Tangible Personal Property		4,166,175		4,525,229
Manufactured Home (Dep)		241,143		278,998
Total Assessed Value	\$	105,325,438	\$	103,341,947

**Note 7 – Risk Management**

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2005</b>	<b>2004</b>
Assets	\$8,219,430	\$6,685,522
Liabilities	(2,748,639)	(2,227,808)
Members' Equity	\$5,470,791	\$4,457,714

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 and 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2005 and 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. The Township does not have any members contributing to law enforcement or public safety. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2005, 2004, 2003, and 2002 were \$187,705, \$18,650, \$16,880, and \$15,109 respectively. The full amount has been contributed for 2005, 2004, 2003 and 2002.

**Note 9 – Post-employment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay



Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 9 – Post-employment Benefits (Continued)**

increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$210,421. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 10 – 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 Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

**Note 11 – Leases**

The Township leases the Mantua Center School from the Ohio Township Leasing Corporation under a noncancelable lease. The Township disbursed \$3,355 to pay lease costs for the year ended December 31, 2004 and \$31,315 to pay lease costs for the year ended December 31, 2005. The payments are reflected on the financial statements under General Government and classified as leases. Future lease payments, including interest and administrative cost are as follows:

Year	Amount
2006	\$ 35,665
2007	35,040
2008	34,103
2009	33,165
2010	31,290
2011-2014	<u>132,570</u>
Total	<u><u>\$ 302,770</u></u>

Mantua Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2005 and 2004

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**Note 12 – Interfund Transfers**

During 2005 the following transfers were made:

Transfers from the General Fund to:	
Major Governmental Fund	\$ 15,000
Other Governmental Funds (Zoning)	<u>4,000</u>
Total Transfers from the General Fund	<u>\$ 19,000</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.

During 2004 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds (Zoning)	\$ 3,000
Total Transfers from the General Fund	<u>\$ 3,000</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 13 – Construction and Contractual Commitments**

As of December 31, 2005, the Township was awaiting payment to the Perrin Asphalt Company for the State of Ohio Public Works Commission share of the cost of paving Mennonite Road east of Mantua Village and Pioneer Trail east of State Route 44, for their completed part of the project. Also, Perrin Asphalt had to complete the road striping and guard rail part of this project. This project has now been completely paid for and has been reflected as both revenue and disbursement of \$129,422 on the Township's books for 2006 as well as local revenues paid of \$31,022.

As of December 31, 2004, the Township was awaiting payment to the Shelly Company for the State of Ohio Public Works Commission share of the cost of paving Winchell Road between Mantua Center Road and Chamberlain Road. This payment was reflected as both revenue and disbursement of \$142,755 on the Township's books for 2005.

**Note 14 – 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.



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 governmental activities, each major fund, and the aggregate remaining fund information of Mantua Township (the Township) as of and for the years ended December 31, 2005 and 2004 and have issued our report thereon dated April 5, 2007 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated April 5, 2007, we reported matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated April 5, 2007, we reported other matters related to noncompliance we deemed immaterial.

Mantua Township  
Portage County  
Independent Accountants' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*

We intend this report solely for the information and use of the audit committee, management, Board of Trustees. It is not intended for anyone other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

April 5, 2007



**Mary Taylor, CPA**  
Auditor of State

**MANTUA TOWNSHIP**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 14, 2007**