



**MANTUA - SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Mantua-Shalersville Fire District  
Portage County  
3898 Winchell Road  
Mantua, OH 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua-Shalersville Fire District, Portage County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the District'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 District 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 Mantua-Shalersville Fire District, Portage County as of December 31, 2000 and 1999, 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 February 21, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

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

**Jim Petro**  
Auditor of State

February 21, 2001

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

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

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$222,634	\$450,266		\$135,532	\$808,432
Intergovernmental	22,951	50,205		15,116	88,272
Charges for Services		44,080			44,080
Earnings on Investments	10,309			2,331	12,640
Miscellaneous	728	3,277			4,005
<b>Total Cash Receipts</b>	<u>256,622</u>	<u>547,828</u>		<u>152,979</u>	<u>957,429</u>
<b>Cash Disbursements:</b>					
Current:					
Public Safety	293,431	530,857			824,288
Debt Service:					
Redemption of Principal			57,143		57,143
Interest			11,669		11,669
Capital Outlay				134,665	134,665
<b>Total Disbursements</b>	<u>293,431</u>	<u>530,857</u>	<u>68,812</u>	<u>134,665</u>	<u>1,027,765</u>
Total Receipts Over/(Under) Disbursements	<u>(36,809)</u>	<u>16,971</u>	<u>(68,812)</u>	<u>18,314</u>	<u>(70,336)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			68,948		68,948
Transfers-Out				(68,948)	(68,948)
<b>Total Other Financing Receipts/(Disbursements)</b>			<u>68,948</u>	<u>(68,948)</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(36,809)	16,971	136	(50,634)	(70,336)
Fund Cash Balances January 1	<u>120,278</u>	<u>256,969</u>		<u>120,587</u>	<u>497,834</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$83,469</b></u>	<u><b>\$273,940</b></u>	<u><b>\$136</b></u>	<u><b>\$69,953</b></u>	<u><b>\$427,498</b></u>
Reserves for Encumbrances, December 31	<u>\$2,070</u>	<u>\$5,980</u>		<u>\$9,587</u>	<u>\$17,637</u>

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

**MANTUA - SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$223,758	\$337,557	\$81,158	\$642,473
Intergovernmental	22,264	34,620	7,865	64,749
Charges for Services		35,013		35,013
Earnings on Investments	6,832		11,155	17,987
Miscellaneous	738	5	4,135	4,878
	<u>253,592</u>	<u>407,195</u>	<u>104,313</u>	<u>765,100</u>
<b>Cash Disbursements:</b>				
Current:				
Public Safety	266,745	405,503		672,248
Capital Outlay			442,340	442,340
	<u>266,745</u>	<u>405,503</u>	<u>442,340</u>	<u>1,114,588</u>
Total Disbursements	<u>266,745</u>	<u>405,503</u>	<u>442,340</u>	<u>1,114,588</u>
Total Receipts Over/(Under) Disbursements	<u>(13,153)</u>	<u>1,692</u>	<u>(338,027)</u>	<u>(349,488)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes			200,000	200,000
Transfers-In			123,645	123,645
Advances-In		50,000	50,000	100,000
Transfers-Out			(123,645)	(123,645)
Advances-Out		(50,000)	(50,000)	(100,000)
		<u>(50,000)</u>	<u>(50,000)</u>	<u>(100,000)</u>
Total Other Financing Receipts			<u>200,000</u>	<u>200,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,153)	1,692	(138,027)	(149,488)
Fund Cash Balances January 1	<u>133,431</u>	<u>255,277</u>	<u>258,614</u>	<u>647,322</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$120,278</u></b>	<b><u>\$256,969</u></b>	<b><u>\$120,587</u></b>	<b><u>\$497,834</u></b>
Reserves for Encumbrances, December 31	<u>\$3,824</u>	<u>\$2,732</u>	<u>\$2,500</u>	<u>\$9,056</u>

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



**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Mantua-Shalersville Fire District, Portage County, (the District) 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 District is directed by an appointed three-member Board of Trustees. One Board member is appointed by each political subdivision within the District. Those subdivisions are Mantua Township, Mantua Village and Shalersville Township. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Investments at the District are limited to a savings account, certificates of deposit and an interest bearing checking account. Interest earned is recognized and recorded when received.

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.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District 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 capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

*Ambulance and Medical Services Fund* - This fund receives most of its monies from a tax levy and charges for ambulance transports. This money is specifically used for the purpose of providing emergency ambulance and medical services.

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. This fund has one note which was issued for the purchased of a fire truck.

*Fire Note Fund* - This fund has one note which was issued for the purchased of a fire truck.

**4. Capital Project Funds**

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

*Capital Equipment Fund* - This fund receives taxes to be used for the purchase and maintenance of fire fighting equipment.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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.

**3. Encumbrances**

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**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 District.

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

The District 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, follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 427,498	\$ 445,782
Certificates of deposit		<u>52,052</u>
Total deposits	<u>\$ 427,498</u>	<u>\$ 497,834</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 252,366	\$ 256,622	\$ 4,256
Special Revenue	542,882	547,828	4,946
Debt Service	68,948	68,948	0
Capital Projects	<u>227,899</u>	<u>152,979</u>	<u>(74,920)</u>
Total	<u>\$ 1,092,095</u>	<u>\$ 1,026,377</u>	<u>\$ (65,718)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 309,500	\$ 295,501	\$ 13,999
Special Revenue	930,000	536,837	393,163
Debt Service	68,948	68,812	136
Capital Projects	<u>219,948</u>	<u>213,200</u>	<u>6,748</u>
Total	<u>\$ 1,528,396</u>	<u>\$ 1,114,350</u>	<u>\$ 414,046</u>

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 252,856	\$ 253,592	\$ 736
Special Revenue	404,414	457,195	52,781
Capital Projects	397,591	477,958	80,367
Total	\$ 1,054,861	\$ 1,188,745	\$ 133,884

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 287,600	\$ 270,569	\$ 17,031
Special Revenue	839,100	458,235	380,865
Capital Projects	613,645	618,485	(4,840)
Total	\$ 1,740,345	\$ 1,347,289	\$ 393,056

**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 District.

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$142,857	4%

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT (Continued)**

The District issued a tax anticipation note to finance the purchase of a new fire truck. The note was issued on April 29, 1999 in the amount of \$200,000 and has semiannual maturities through May 1, 2003. The notes are collateralized solely by the District's taxing authority.

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

<u>Year ending December 31:</u>	<u>Tax Anticipation Notes</u>
2001	\$ 62,414
2002	60,072
2003	<u>29,157</u>
Total	<u>\$ 151,643</u>

**6. RETIREMENT SYSTEMS**

The District's full-time fire fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The District contributed an amount equal to 24% of their wages. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries, except for the period from July 2000 and December 2000. During this time period, the employer's share was only 8.13%, due to a temporary employer contribution rate rollback passed by the Board at PERS. The District has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Mantua-Shalersville Fire District  
Portage County  
3898 Winchell Road  
Mantua, OH 44255

To the Board of Trustees:

We have audited the accompanying financial statements of Mantua-Shalersville Fire District, Portage County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 21, 2001. 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 District'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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District'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 District in a separate letter dated February 21, 2001.

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

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.

**Jim Petro**  
Auditor of State

February 21, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**MANTUA-SHALERSVILLE FIRE DISTRICT**

**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  
APRIL 17, 2001**