

# ***VILLAGE OF MANTUA***

**PORTAGE COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2014 and 2013**







# Dave Yost • Auditor of State

Village Council  
Village of Mantua  
4650 West High Street  
Mantua, OH 44255

We have reviewed the *Independent Auditor's Report* of the Village of Mantua, Portage County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Mantua is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 17, 2015

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**VILLAGE OF MANTUA**  
**PORTAGE COUNTY, OHIO**  
**Audit Report**  
**For the Years Ended December 31, 2014 and 2013**

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**INDEPENDENT AUDITOR'S REPORT**

Village of Mantua  
Portage County  
4650 West High Street  
Mantua, OH 44255

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Mantua, Portage County, (the Village) as of and for the years ended December 31, 2014 and 2013.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

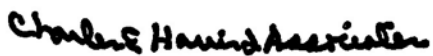
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Mantua, Portage County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015, on our consideration of the Village'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
May 20, 2015

VILLAGE OF MANTUA  
PORTAGE COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

|   | Governmental Fund Types |                    |                 |                     |                  | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|-----------------|---------------------|------------------|--------------------------------|
|   | General                 | Special<br>Revenue | Debt<br>Service | Capital<br>Projects | Permanent        |                                |
| <b>Cash Receipts</b>                                  |                         |                    |                 |                     |                  |                                |
| Property and Other Local Taxes                        | \$ 3,943                | \$ 23,735          | \$ 42,925       | \$ -                | \$ -             | \$ 70,603                      |
| Municipal Income Tax                                  | 583,220                 | -                  | -               | -                   | -                | 583,220                        |
| Intergovernmental                                     | 137,028                 | 135,112            | -               | 799                 | -                | 272,939                        |
| Charges for Services                                  | 111,860                 | 6,631              | -               | 8,851               | -                | 127,342                        |
| Fines, Licenses and Permits                           | 28,478                  | -                  | -               | -                   | -                | 28,478                         |
| Earnings on Investments                               | 1,527                   | 326                | -               | 45                  | -                | 1,898                          |
| Miscellaneous   | 17,024                  | 46,367             | -               | 35,952              | -                | 99,343                         |
| <i>Total Cash Receipts</i>                            | <u>883,080</u>          | <u>212,171</u>     | <u>42,925</u>   | <u>45,647</u>       | <u>-</u>         | <u>1,183,823</u>               |
| <b>Cash Disbursements</b>                             |                         |                    |                 |                     |                  |                                |
| Current:  |                         |                    |                 |                     |                  |                                |
| Security of Persons and Property                      | 451,869                 | 309                | -               | -                   | -                | 452,178                        |
| Public Health Services                                | -                       | 40,420             | -               | -                   | -                | 40,420                         |
| Leisure Time Activities                               | 27,542                  | -                  | -               | -                   | -                | 27,542                         |
| Community Environment                                 | 5,756                   | -                  | -               | -                   | -                | 5,756                          |
| Basic Utility Services                                | -                       | -                  | -               | 5,313               | -                | 5,313                          |
| Transportation  | 93,261                  | 153,441            | -               | 31,120              | -                | 277,822                        |
| General Government                                    | 175,692                 | -                  | -               | -                   | -                | 175,692                        |
| Capital Outlay  | -                       | 1,200              | -               | 30,351              | -                | 31,551                         |
| Debt Service:   |                         |                    |                 |                     |                  |                                |
| Principal Retirement                                  | 7,328                   | -                  | 24,000          | -                   | -                | 31,328                         |
| Interest & Fiscal Charges                             | 894                     | -                  | 18,925          | -                   | -                | 19,819                         |
| <i>Total Cash Disbursements</i>                       | <u>762,342</u>          | <u>195,370</u>     | <u>42,925</u>   | <u>66,784</u>       | <u>-</u>         | <u>1,067,421</u>               |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | 120,738                 | 16,801             | -               | (21,137)            | -                | 116,402                        |
| <b>Other Financing Receipts (Disbursements)</b>       |                         |                    |                 |                     |                  |                                |
| Transfers In  | -                       | -                  | -               | 25,720              | -                | 25,720                         |
| Transfers Out   | (119,720)               | -                  | -               | -                   | -                | (119,720)                      |
| Advances In   | 12,765                  | -                  | -               | -                   | -                | 12,765                         |
| Advances Out  | -                       | (972)              | -               | -                   | -                | (972)                          |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(106,955)</u>        | <u>(972)</u>       | <u>-</u>        | <u>25,720</u>       | <u>-</u>         | <u>(82,207)</u>                |
| <i>Net Change in Fund Cash Balances</i>               | 13,783                  | 15,829             | -               | 4,583               | -                | 34,195                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>215,244</u>          | <u>119,857</u>     | <u>123</u>      | <u>43,804</u>       | <u>33,834</u>    | <u>412,862</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                         |                    |                 |                     |                  |                                |
| Nonspendable  | -                       | -                  | -               | -                   | 33,834           | 33,834                         |
| Restricted  | -                       | 135,686            | 123             | 48,387              | -                | 184,196                        |
| Assigned  | 5,113                   | -                  | -               | -                   | -                | 5,113                          |
| Unassigned  | 223,914                 | -                  | -               | -                   | -                | 223,914                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$ 229,027</u>       | <u>\$ 135,686</u>  | <u>\$ 123</u>   | <u>\$ 48,387</u>    | <u>\$ 33,834</u> | <u>\$ 447,057</u>              |

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



**VILLAGE OF MANTUA  
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

|   | <u>Proprietary<br/>Fund Types<br/>Enterprise</u> | <u>Fiduciary<br/>Fund Types<br/>Agency</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--|--|---|
| <b>Operating Cash Receipts</b>                      |  |  |   |
| Charges for Services                                | \$ 738,492                                       | \$ -                                       | \$ 738,492                              |
| Miscellaneous                                       | 7,806  | -  | 7,806                                   |
| <i>Total Operating Cash Receipts</i>                | 746,298  | -  | 746,298                                 |
| <b>Operating Cash Disbursements</b>                 |  |  |   |
| Personal Services                                   | 89,846   | -  | 89,846                                  |
| Fringe Benefits                                     | 21,203   | -  | 21,203                                  |
| Contractual Services                                | 150,716  | -  | 150,716                                 |
| Supplies and Materials                              | 74,403   | -  | 74,403                                  |
| <i>Total Operating Cash Disbursements</i>           | 336,168  | -  | 336,168                                 |
| <i>Operating Income (Loss)</i>                      | 410,130  | -  | 410,130                                 |
| <b>Non-Operating Receipts (Disbursements)</b>       |  |  |   |
| Intergovernmental Receipts                          | 28,020   | -  | 28,020                                  |
| Special Assessments                                 | 15,345   | -  | 15,345                                  |
| Capital Outlay                                      | (80,827)   | (70)                                       | (80,897)                                |
| Principal Retirement                                | (417,016)  | -  | (417,016)                               |
| Interest and Other Fiscal Charges                   | (34,238)   | -  | (34,238)                                |
| Other Financing Sources                             | 24,773   | -  | 24,773                                  |
| <i>Total Non-Operating Receipts (Disbursements)</i> | (463,943)  | (70)                                       | (464,013)                               |
| <i>Income (Loss) before Transfers and Advances</i>  | (53,813)   | (70)                                       | (53,883)                                |
| Transfers In  | 522,038  | -  | 522,038                                 |
| Transfers Out                                       | (428,038)  | -  | (428,038)                               |
| Advances Out  | (11,793)   | -  | (11,793)                                |
| <i>Net Change in Fund Cash Balance</i>              | 28,394   | (70)                                       | 28,324                                  |
| <i>Fund Cash Balances, January 1</i>                | 58,181   | 4,682                                      | 62,863                                  |
| <i>Fund Cash Balances, December 31</i>              | \$ 86,575  | \$ 4,612                                   | \$ 91,187                               |

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

VILLAGE OF MANTUA  
PORTAGE COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | Governmental Fund Types |                    |                 |                     |                  | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|-----------------|---------------------|------------------|--------------------------------|
|   | General                 | Special<br>Revenue | Debt<br>Service | Capital<br>Projects | Permanent        |                                |
| <b>Cash Receipts</b>                                  |                         |                    |                 |                     |                  |                                |
| Property and Other Local Taxes                        | \$ 6,075                | \$ 17,599          | \$ 42,910       | \$ -                | \$ -             | \$ 66,584                      |
| Municipal Income Tax                                  | 567,481                 | -                  | -               | -                   | -                | 567,481                        |
| Intergovernmental                                     | 75,373                  | 139,427            | -               | -                   | -                | 214,800                        |
| Charges for Services                                  | 102,611                 | 7,890              | -               | 15,125              | -                | 125,626                        |
| Fines, Licenses and Permits                           | 32,471                  | -                  | -               | -                   | -                | 32,471                         |
| Earnings on Investments                               | 1,588                   | 282                | -               | 68                  | -                | 1,938                          |
| Miscellaneous   | 9,872                   | 23,996             | -               | 20,504              | -                | 54,372                         |
| <i>Total Cash Receipts</i>                            | <u>795,471</u>          | <u>189,194</u>     | <u>42,910</u>   | <u>35,697</u>       | <u>-</u>         | <u>1,063,272</u>               |
| <b>Cash Disbursements</b>                             |                         |                    |                 |                     |                  |                                |
| Current:  |                         |                    |                 |                     |                  |                                |
| Security of Persons and Property                      | 438,947                 | 626                | -               | -                   | -                | 439,573                        |
| Public Health Services                                | -                       | 26,401             | -               | -                   | -                | 26,401                         |
| Leisure Time Activities                               | 23,909                  | -                  | -               | -                   | -                | 23,909                         |
| Community Environment                                 | 3,378                   | -                  | -               | -                   | -                | 3,378                          |
| Transportation  | 15,928                  | 138,870            | -               | 7,900               | -                | 162,698                        |
| General Government                                    | 176,123                 | -                  | -               | -                   | -                | 176,123                        |
| Capital Outlay  | 38,477                  | -                  | -               | 62,649              | -                | 101,126                        |
| Debt Service:   |                         |                    |                 |                     |                  |                                |
| Principal Retirement                                  | 1,204                   | -                  | 23,000          | -                   | -                | 24,204                         |
| Interest & Fiscal Charges                             | 166                     | -                  | 19,910          | -                   | -                | 20,076                         |
| <i>Total Cash Disbursements</i>                       | <u>698,132</u>          | <u>165,897</u>     | <u>42,910</u>   | <u>70,549</u>       | <u>-</u>         | <u>977,488</u>                 |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | 97,339                  | 23,297             | -               | (34,852)            | -                | 85,784                         |
| <b>Other Financing Receipts (Disbursements)</b>       |                         |                    |                 |                     |                  |                                |
| Other Debt Proceeds                                   | 38,477                  | -                  | -               | -                   | -                | 38,477                         |
| Sale of Capital Assets                                | 1,350                   | -                  | -               | -                   | -                | 1,350                          |
| Transfers In  | -                       | 10,010             | -               | 6,026               | -                | 16,036                         |
| Transfers Out   | (61,000)                | -                  | -               | (36)                | -                | (61,036)                       |
| Advances In   | 14,010                  | -                  | -               | -                   | -                | 14,010                         |
| Advances Out  | -                       | (1,667)            | -               | -                   | -                | (1,667)                        |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(7,163)</u>          | <u>8,343</u>       | <u>-</u>        | <u>5,990</u>        | <u>-</u>         | <u>7,170</u>                   |
| <i>Net Change in Fund Cash Balances</i>               | 90,176                  | 31,640             | -               | (28,862)            | -                | 92,954                         |
| <i>Fund Cash Balances, January 1</i>                  | <u>125,068</u>          | <u>88,217</u>      | <u>123</u>      | <u>72,666</u>       | <u>33,834</u>    | <u>319,908</u>                 |
| <b>Fund Cash Balances, December 31</b>                |                         |                    |                 |                     |                  |                                |
| Nonspendable  | -                       | -                  | -               | -                   | 33,834           | 33,834                         |
| Restricted  | -                       | 119,857            | 123             | 43,804              | -                | 163,784                        |
| Assigned  | 10,259                  | -                  | -               | -                   | -                | 10,259                         |
| Unassigned  | 204,985                 | -                  | -               | -                   | -                | 204,985                        |
| <i>Fund Cash Balances, December 31</i>                | <u>\$ 215,244</u>       | <u>\$ 119,857</u>  | <u>\$ 123</u>   | <u>\$ 43,804</u>    | <u>\$ 33,834</u> | <u>\$ 412,862</u>              |

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

**VILLAGE OF MANTUA  
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <u>Proprietary<br/>Fund Types</u><br><u>Enterprise</u> | <u>Fiduciary<br/>Fund Types</u><br><u>Agency</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|--|--|---|
| <b>Operating Cash Receipts</b>                      |  |  |   |
| Charges for Services                                | \$ 673,272   | \$ -   | \$ 673,272                              |
| Miscellaneous                                       | 6,817  | -  | 6,817                                   |
| <i>Total Operating Cash Receipts</i>                | 680,089  | -  | 680,089                                 |
| <b>Operating Cash Disbursements</b>                 |  |  |   |
| Personal Services                                   | 88,542   | -  | 88,542                                  |
| Fringe Benefits                                     | 29,299   | -  | 29,299                                  |
| Contractual Services                                | 136,539  | 45   | 136,584                                 |
| Supplies and Materials                              | 79,611   | 20   | 79,631                                  |
| Other   | 60   | -  | 60                                      |
| <i>Total Operating Cash Disbursements</i>           | 334,051  | 65   | 334,116                                 |
| <i>Operating Income (Loss)</i>                      | 346,038  | (65)   | 345,973                                 |
| <b>Non-Operating Receipts (Disbursements)</b>       |  |  |   |
| Intergovernmental Receipts                          | 48,810   | -  | 48,810                                  |
| Special Assessments                                 | 8,049  | -  | 8,049                                   |
| Capital Outlay                                      | (21,229)   | (70)   | (21,299)                                |
| Principal Retirement                                | (412,618)  | -  | (412,618)                               |
| Interest and Other Fiscal Charges                   | (38,637)   | -  | (38,637)                                |
| Other Financing Sources                             | 32,140   | -  | 32,140                                  |
| <i>Total Non-Operating Receipts (Disbursements)</i> | (383,485)  | (70)   | (383,555)                               |
| <i>Income (Loss) before Transfers and Advances</i>  | (37,447)   | (135)  | (37,582)                                |
| Transfers In  | 457,426  | -  | 457,426                                 |
| Transfers Out                                       | (412,426)  | -  | (412,426)                               |
| Advances Out  | (12,343)   | -  | (12,343)                                |
| <i>Net Change in Fund Cash Balance</i>              | (4,790)  | (135)  | (4,925)                                 |
| <i>Fund Cash Balances, January 1</i>                | 62,971   | 4,817  | 67,788                                  |
| <i>Fund Cash Balances, December 31</i>              | <u>\$ 58,181</u>                                       | <u>\$ 4,682</u>                                  | <u>\$ 62,863</u>                        |

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

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Mantua, Portage County, (the Village) as a body corporate and politic. A publicly-elected six member Council directs the Village. The Village provides general governmental services such as water and sewer utilities, park operations, and police services.

The Village participates in one jointly governed organizations and one public entity risk pool. These organizations are:

**Jointly Governed Organizations:**

The Village participates in one jointly governed organization. Note 9 to the financial statements provides additional information about this entity. The Village is a member of the Mantua-Shalersville Fire District, which provides fire protection and EMS services to Village residents.

**Public Entity Risk Pool:**

The Village 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. Note 8 to the financial statement provides additional information about this entity.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost.

**D. Fund Accounting**

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

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**1. Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money for constructing, maintaining, and repairing village streets.

State Highway Improvement Fund – This fund receives gasoline and license taxes and motor vehicle tax money for constructing, maintaining, and repairing streets and sidewalks.

**3. Debt Service Fund**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund – This fund is used to account for all general obligation bond retirement, including bond principal, interest and related costs.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Police Capital Improvement Fund – This fund receives proceeds from a contract for dispatch services to other communities. The proceeds are used to purchase equipment for the police department.

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**1. Summary of Significant Accounting Policies (continued)**

**5. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent funds:

Cemetery Endowment Fund - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

Park Trust Fund - This fund receives accumulated interest and is expended on park improvement activities.

**6. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Water Debt Service Fund - This fund receives monthly transfers from the Water Operating Fund to meet the Debt Service requirements related to water operations.

Sewer Debt Service Fund - This fund receives monthly transfers from the Sewer Operating Fund to meet the Debt Service requirements related to sewer operations.

**7. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. The Village has no private purpose trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other governments. The Village's agency fund accounts for the Shade Tree Commission.

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**1. Summary of Significant Accounting Policies (continued)**

**E. Budgetary Process**

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

**1. Appropriations**

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

**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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried forward to the subsequent year.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**1. Summary of Significant Accounting Policies (continued)**

**F. Fund Balance (Continued)**

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Equity in Pooled Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

|                                | 2014      | 2013      |
|--------------------------------|-----------|-----------|
| Demand deposits                | \$504,410 | \$441,891 |
| Certificate of deposit         | 33,834    | 33,834    |
| Total deposits and investments | \$538,244 | \$475,725 |

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



**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

| 2014 Budgeted vs. Actual Budgetary Basis Disbursements |                            |                            |                  |
|--|----------------------------|----------------------------|------------------|
| Fund Type  | Appropriation<br>Authority | Budgetary<br>Disbursements | Variance         |
| General  | \$924,669                  | \$887,175                  | \$37,494         |
| Special Revenue  | 226,371                    | 201,386                    | 24,985           |
| Debt Service   | 42,925                     | 42,925                     | 0                |
| Capital Projects                                       | 96,829                     | 66,919                     | 29,910           |
| Enterprise   | 1,386,427                  | 1,315,678                  | 70,749           |
| Total  | <u>\$2,677,221</u>         | <u>\$2,514,083</u>         | <u>\$163,138</u> |

| 2014 Budgeted vs. Actual Receipts |                      |                    |                    |
|-----------------------------------|----------------------|--------------------|--------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance           |
| General                           | \$773,916            | \$895,845          | \$121,929          |
| Special Revenue                   | 184,550              | 212,171            | 27,621             |
| Debt Service                      | 42,925               | 42,925             | 0                  |
| Capital Projects                  | 109,866              | 71,367             | (38,499)           |
| Enterprise                        | 1,592,471            | 1,336,474          | (255,997)          |
| Total                             | <u>\$2,703,728</u>   | <u>\$2,558,782</u> | <u>(\$144,946)</u> |

| 2013 Budgeted vs. Actual Budgetary Basis Disbursements |                            |                            |                  |
|--|----------------------------|----------------------------|------------------|
| Fund Type  | Appropriation<br>Authority | Budgetary<br>Disbursements | Variance         |
| General  | \$765,867                  | \$769,391                  | (\$3,524)        |
| Special Revenue  | 195,878                    | 181,005                    | 14,873           |
| Debt Service   | 42,910                     | 42,910                     | 0                |
| Capital Projects                                       | 114,698                    | 78,546                     | 36,152           |
| Enterprise   | 1,592,091                  | 1,368,278                  | 223,813          |
| Permanent  | 200                        | 0                          | 200              |
| Total  | <u>\$2,711,644</u>         | <u>\$2,440,130</u>         | <u>\$271,514</u> |

| 2013 Budgeted vs. Actual Receipts |                      |                    |                    |
|-----------------------------------|----------------------|--------------------|--------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance           |
| General                           | \$743,280            | \$849,308          | \$106,028          |
| Special Revenue                   | 178,000              | 199,204            | 21,204             |
| Debt Service                      | 42,910               | 42,910             | 0                  |
| Capital Projects                  | 70,500               | 41,723             | (28,777)           |
| Enterprise                        | 1,573,456            | 1,226,514          | (346,942)          |
| Permanent                         | 0                    | 0                  | 0                  |
| Total                             | <u>\$2,608,146</u>   | <u>\$2,359,659</u> | <u>(\$248,487)</u> |

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

**5. Local Income Tax**

The Village levies a municipal income tax of 1.5 percent in 2013 and 2014 on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2014 was as follows:

|  | <u>Principal</u>   | <u>Interest Rate</u> |
|--|--------------------|----------------------|
| Ohio Water Development Authority Loans | \$2,946,991        | 0.68 to 3.03%        |
| General Obligation Bonds               | 415,000            | 4.25 to 4.4%         |
| Ohio Public Works Commission Loans     | 102,750            | 0.00%                |
| Police Cars Loan                       | 29,945             | 2.60%                |
| Total                                  | <u>\$3,494,686</u> |                      |

The beginning debt balance on the Ohio Water Development Authority Loans was overstated by \$570.

There are three Ohio Water Development Authority (OWDA) loans which relate to water plant construction, Mill Street water project, waste-water treatment plant expansion project, waste-water treatment plant improvements and Waterline Loops and reservoir Pump Station that were mandated by the Ohio Environmental Protection Agency. The OWDA approved a total of \$8,331,731 in loans to the Village for these projects. The Village will repay the plant construction loan in annual payment totaling \$91,348 each year, including interest, over 5 years. The Village will repay the waste-water treatment plant expansion project loan in annual payment totaling \$306,669 each year, including interest, over 10 years. The Village will repay the Waterline Loops and reservoir Pump Station loan in annual payment totaling \$36,490 each year, including interest, over 12 years. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**6. Debt – (continued)**

There are two General Obligation Bonds which are collateralized by the Village's taxing authority. The General Obligation Bonds have been used to refurbish the New Administration Building.

There are two Ohio Public Works Commission Loans (OPWC) related to the projects on the water treatment plant and waste-water treatment plant expansion projects. The OPWC approved a total of \$335,000 in loans for these projects which are collateralized by the Village's water and sewer receipts.

The Middlefield Bank approved a total of \$38,477 in loans to the Village for two police cars. The Village will repay the car loan in monthly payment totaling \$8,222 each year, including interest, over 5 years.

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

| Year ending December 31: | OWDA<br>Loans       | General<br>Obligation<br>Bonds | OPWC<br>Loans     | Police Cruiser<br>Loans |
|--------------------------|---------------------|--------------------------------|-------------------|-------------------------|
| 2015                     | \$ 434,505          | \$ 42,897                      | \$ 16,750         | \$ 8,222                |
| 2016                     | 434,505             | 42,897                         | 16,750            | 8,222                   |
| 2017                     | 434,505             | 43,715                         | 16,750            | 8,222                   |
| 2018                     | 343,157             | 43,516                         | 7,500             | 6,851                   |
| 2019                     | 343,157             | 42,274                         | 7,500             | -                       |
| 2020-2024                | 1,084,204           | 214,506                        | 37,500            | -                       |
| 2025-2029                | -                   | 64,548                         | -                 | -                       |
| 2030-2034                | -                   | 63,988                         | -                 | -                       |
| 2035-2037                | -                   | 12,528                         | -                 | -                       |
| Total                    | <u>\$ 3,074,033</u> | <u>\$ 570,869</u>              | <u>\$ 102,750</u> | <u>\$ 31,517</u>        |

**7. Retirement Systems**

The Village's full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates.

For 2014 and 2013, OP&F participants contributed 10% of their wages, after July 1, 2014 this rate increased to 10.75%. For 2014 and 2013, the Village contributed to OP&F an amount equal to 19.5% of full-time police officers' wages. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**8. Risk Pool Membership**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

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 financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013 (the latest information available).

|                 | <u>2012</u>        | <u>2013</u>        |
|-----------------|--------------------|--------------------|
| Assets          | \$13,100,381       | \$13,774,304       |
| Liabilities     | (6,687,193)        | (7,968,395)        |
| Members' Equity | <u>\$6,413,188</u> | <u>\$5,805,909</u> |

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

**Village of Mantua  
Portage County  
Notes to the Financial Statements  
December 31, 2014 and 2013**

**9. Jointly Governed Organizations**

***Mantua-Shalersville Fire District (the District):***

The District provides fire and EMS services to its members. District members include Village of Mantua, Mantua Township, and Shalersville Township. The District is governed by a three-member board consisting of one official from each member's elected governing body. The District is solely funded by voter approved tax levies. No funding is received from District members.

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Village of Mantua  
Portage County  
4650 West High Street  
Mantua, OH 44255

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Mantua, Portage County (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 20, 2015, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2014-001 and 2014-002 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village'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, opining 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2014-002.

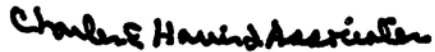
We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 20, 2015.

***Entity's Responses to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
May 20, 2015

**VILLAGE OF MANTUA  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS  
December 31, 2014 and 2013**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**Finding Number 2014-001 - Material Weakness**

During 2014 and 2013, the Village erroneously recorded several transactions. The more significant adjustments are as follows:

- Recorded rollbacks as property and other local taxes instead of intergovernmental receipts
- Recorded rental fees of Village property as charges for services instead of miscellaneous revenues
- Recorded various refunds, rebates and reimbursements as other financing sources instead of miscellaneous revenues
- Recorded various water and sewer payments as other financing sources instead of charges for services
- Failed to record the proceeds of a loan and the capital outlay related to the loan thus, understating receipts and disbursements

Adjustments were made in the financial statements and Village records.

The Village Officers' Handbook and the UAN accounting system provide suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance and with the budget and prepare annual reports in the format required by the Auditor of State.

We recommend that the Village refer to the Village Officer's Handbook and UAN accounting system to properly classify its transactions. We also recommend the Fiscal Officer review all reports compiled by the computer software company to ensure their accuracy.

**Management Response:**

These fund codes have been in place since the UAN was first set up many years ago. We have never changed them or even really looked at them. Upon the recommendation of our Auditor, our Clerk-Treasurer has reviewed the Village Officer's Handbook and UAN accounting system manual and reallocated all of the erroneously recorded transactions to the suggested classifications. In addition, the Fiscal Officer has been informed that any monies received, even when we do not actually deposit the money, must be recorded as a receipt and any expenditures, whether we issue the check or the check is issued for us, must be recorded as an expenditure and that the estimated resources must show the availability for these expenditures and appropriations include this amount available for expenditures.

**Finding Number 2014-002 – Noncompliance**

**Ohio Rev. Code 5705.41(D) – Purchase Orders**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.



**VILLAGE OF MANTUA  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS - continued  
December 31, 2014 and 2013**

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|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b> |
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**Finding Number 2014-002 – Noncompliance (continued)**

**Ohio Rev. Code 5705.41(D) – Purchase Orders (continued)**

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now Certificates" – If the fiscal officer can certify that both at the time that contract or order was made ("then") and at the time that the fiscal officer was completing the certification ("now"), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by resolution or ordinance.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificates - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificates – The Village may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During fiscal years 2014 and 2013, 25% of purchase orders tested were not certified by the Village Clerk prior to incurring the obligation. The transactions had no evidence of the above mentioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balance.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's expenditures exceeding budgetary spending limitations, we recommend that the Village certify expenditures prior to incurring the liability.

**VILLAGE OF MANTUA  
PORTAGE COUNTY  
SCHEDULE OF FINDINGS - continued  
December 31, 2014 and 2013**

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|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b> |
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**Finding Number 2014-002 – Noncompliance (continued)**

**Ohio Rev. Code 5705.41(D) – Purchase Orders (continued)**

**Management Response:**

The Clerk-Treasurer will provide more blanket purchase orders in order to certify the availability of funds and reduce the number of "Then and Now" purchase orders. The Clerk-Treasurer will monitor the balance and try to keep blanket purchase orders in place for tools and repair items, which seem to be the majority of the uncertified expenses.

**VILLAGE OF MANTUA  
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2014 and 2013**

| FINDING NUMBER | FUNDING SUMMARY  | FULLY CORRECTED? | Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain |
|----------------|--|------------------|--|
| 2012-001       | Material Weakness – Finding For Recovery: Former Village administrator set utility rates below mandated rates for three customers                        | Yes              | Insurance company paid the full amount as the Village was bonded   |
| 2012-002       | Material Weakness – Control over Payroll Timesheets: Timesheets not dated, not signed, not approved by supervisors                                       | No               | Partially corrected, included in management letter   |
| 2012-003       | Material Weakness – Improper Posting of Water Capital Improvement Fund Special Assessment: \$5 special assessment charges recorded in the incorrect fund | Yes              | Incorrect fund was closed and new one was created to properly account for these charges                                  |
| 2012-004       | Material Weakness – Improper Posting of Transactions   | No               | Not Corrected; Repeated as Finding 2014-001  |

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# Dave Yost • Auditor of State

**VILLAGE OF MANTUA**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2015**