

313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358



# PERRY & Associates

Certified Public Accountants, A.C.

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY  
Regular Audit  
For the Years Ended December 31, 2016 and 2015**

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# Dave Yost • Auditor of State

Board of Trustees  
Mantua-Shalersville Fire District  
10303 State Route 44  
Mantua, Ohio 44255

We have reviewed the *Independent Auditor's Report* of the Mantua-Shalersville Fire District, Portage County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2016. 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 Mantua-Shalersville Fire District 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 10, 2017

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MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY

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## INDEPENDENT AUDITOR'S REPORT

May 31, 2017

Mantua-Shalersville Fire District  
Portage County  
10303 State Route 44  
Mantua, Ohio 44255

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of **Mantua-Shalersville Fire District**, Portage County, (the District) as of and for the years ended December 31, 2016 and 2015.

### ***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 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 District'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 District'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.

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

As described in Note 2 of the financial statements, the District 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District 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 District as of December 31, 2016 and 2015, or changes in financial position 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 Mantua-Shalersville Fire District, Portage County as of December 31, 2016 and 2015, 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 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, 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 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 District's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ -	\$ 1,376,663	\$ 241,889	\$ 1,618,552
Charges for Services	19,004	288,276	-	307,280
Intergovernmental	-	202,944	36,078	239,022
Earnings on Investments	7,205	-	-	7,205
Miscellaneous	5	8,711	-	8,716
<i>Total Cash Receipts</i>	<u>26,214</u>	<u>1,876,594</u>	<u>277,967</u>	<u>2,180,775</u>
<b>Cash Disbursements</b>				
Current:				
General Government	-	2,887	-	2,887
Public Safety	29,187	1,662,549	-	1,691,736
Other	-	-	4,894	-
Capital Outlay	-	46,277	-	46,277
Debt Service:				
Principal Retirement	-	53,126	230,000	283,126
Interest and Fiscal Charges	-	4,825	44,104	48,929
<i>Total Cash Disbursements</i>	<u>29,187</u>	<u>1,769,664</u>	<u>278,998</u>	<u>2,077,849</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,973)	106,930	(1,031)	102,926
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	18,402	-	18,402
Transfers Out	(18,402)	-	-	(18,402)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(18,402)</u>	<u>18,402</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(21,375)	125,332	(1,031)	102,926
<i>Fund Cash Balances, January 1</i>	<u>93,569</u>	<u>604,566</u>	<u>85,420</u>	<u>783,555</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	668	-	-	668
Restricted	-	686,855	84,389	771,244
Committed	-	43,043	-	43,043
Unassigned	71,526	-	-	71,526
<i>Fund Cash Balances, December 31</i>	<u>\$ 72,194</u>	<u>\$ 729,898</u>	<u>\$ 84,389</u>	<u>\$ 886,481</u>

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

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ -	\$ 1,369,975	\$ 243,271	\$ 1,613,246
Charges for Services	25,116	244,659	-	269,775
Intergovernmental	-	215,077	36,504	251,581
Earnings on Investments	7,258	-	-	7,258
Miscellaneous	756	22,501	-	23,257
<i>Total Cash Receipts</i>	<u>33,130</u>	<u>1,852,212</u>	<u>279,775</u>	<u>2,165,117</u>
<b>Cash Disbursements</b>				
Current:				
General Government	3,000	3,011	-	6,011
Public Safety	15,107	1,672,204	-	1,687,311
Conservation- Recreation	-	-	5,098	5,098
Capital Outlay	-	77,153	-	77,153
Debt Service:				
Principal Retirement	-	57,951	225,000	282,951
Interest and Fiscal Charges	-	-	50,764	50,764
<i>Total Cash Disbursements</i>	<u>18,107</u>	<u>1,810,319</u>	<u>280,862</u>	<u>2,109,288</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	15,023	41,893	(1,087)	55,829
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	91	11,000	-	11,091
Transfers Out	(11,000)	(91)	-	(11,091)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(10,909)</u>	<u>10,909</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	4,114	52,802	(1,087)	55,829
<i>Fund Cash Balances, January 1</i>	<u>89,455</u>	<u>551,764</u>	<u>86,507</u>	<u>727,726</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	668	-	-	668
Restricted	-	544,566	85,420	629,986
Committed	-	60,000	-	60,000
Unassigned	92,901	-	-	92,901
<i>Fund Cash Balances, December 31</i>	<u>\$ 93,569</u>	<u>\$ 604,566</u>	<u>\$ 85,420</u>	<u>\$ 782,887</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  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mantua-Shalersville Fire District, Portage County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Mantua Township, Mantua Village and Shalersville Township. The District provides fire protection, rescue services, and EMS services within the District and by mutual-aid to areas outside the District.

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

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

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

***Fund Accounting***

The District uses funds 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. The funds of the District are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

***Fire Fund*** This fund receives its monies from a tax levy. This money is specifically used to provide manpower for the District and maintenance of the fire apparatus.

***Ambulance and Medical Services Fund*** This fund receives money from tax levies and ambulance run fees. This money is specifically used to provide manpower for the District and maintenance of apparatus, appliances and equipment.

***Capital Equipment Fund*** This fund receives taxes from a levy to be used for the purchase of equipment and apparatus and maintenance of equipment and buildings.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The District had the following significant Debt Service Funds.

***Building Bond Retirement Fund*** This fund receives money through a tax levy. This money is used to repay the principal and interest on the bond used to build the fire station.

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

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

***Basis of Accounting***

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. The Board 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.

***Budgetary Process***

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

***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. Appropriations lapse at year-end.

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

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

A summary of 2016 and 2015 budgetary activity appears in Note 3.

***Deposits and Investments***

The District'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.

***Capital Assets***

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

***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.

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

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

***Fund Balance***

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

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

***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.

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

***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 District Trustees or a District official delegated that authority by resolution, or by State Statute.

***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 District 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.

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,859	\$ 26,214	\$ (645)
Special Revenue	1,847,216	1,894,996	47,780
Debt Service	276,479	277,967	1,488
Total	\$ 2,150,554	\$ 2,199,177	\$ 48,623

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,000	\$ 47,589	\$ 7,411
Special Revenue	1,907,451	1,769,664	137,787
Debt Service	279,104	278,998	106
Total	\$ 2,241,555	\$ 2,096,251	\$ 145,304

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 32,966	\$ 33,221	\$ 255
Special Revenue	1,867,130	1,863,212	(3,918)
Debt Service	277,134	279,775	2,641
Total	\$ 2,177,230	\$ 2,176,208	\$ (1,022)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 48,000	\$ 29,107	\$ 18,893
Special Revenue	1,888,166	1,810,410	77,756
Debt Service	281,264	280,862	402
Total	\$ 2,217,430	\$ 2,120,379	\$ 97,051

**Note 4 – Deposits**

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

	2016	2015
Demand Deposits	\$886,481	\$783,555
Total Deposits	\$886,481	\$783,555

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

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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 District.

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

**Note 6 – Risk Management**

The Government 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. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 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, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 6 – Risk Management (Continued)**

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

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Police and Fire Retirement System***

All eight of the Districts certified full time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 11.50% from January 1, 2015 – June 30, 2015 and 12.25% thereafter, of their wages. The District contributed an amount equal to 24%, of their wages. The District has paid all contributions required through December 31, 2016.

***Ohio Public Employees Retirement System***

Five employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2016.

***Social Security***

All employees of the District not contributing to OP&F or OPERS contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The District contributed an amount equal to 6.2 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2016.

**Note 8 – Postemployment Benefits**

Both OP&F and OPERS offer cost-sharing, multiple employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OP&F contributes 0.5 percent of the employer contribution to fund these benefits, and OPERS contributes 2 percent to fund these benefits.

**MANTUA-SHALERSVILLE FIRE DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Note 9 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,260,000	2.96%
Lease Purchase Agreement	110,984	2.94%
Total	\$1,370,984	

The District issued general obligation bonds to finance the construction of a new fire station. The bonds were issued on July 3, 2002 in the amount of \$3,699,993 and have semiannual maturities through December 1, 2021. The District's taxing authority collateralized the bonds. The District refunded the bonds September 12, 2012 in the amount of \$2,130,000.

The District has entered into a five year lease purchase agreement beginning in 2013 with Community Leasing Partners for a KME Tanker. The lease purchase agreement will be completed in 2018.

***Amortization***

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

	Community Leasing	General Obligation Bonds
Year ending December 31:		
2017	\$57,951	\$277,296
2018	57,951	275,192
2019	-	272,940
2020	-	275,540
2021	-	272,844
Total	\$115,902	\$1,373,812



313 Second St.  
Marietta, OH 45750  
740.373.0056

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Vienna, WV 26105  
304.422.2203

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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**

May 31, 2017

Mantua Shalersville Fire District  
Portage County  
10303 State Route 44  
Mantua, Ohio 44255

To the Board of Trustees:

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 cash balances, receipts and disbursements by fund type of **Mantua-Shalersville Fire District**, Portage County, (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated May 31, 2017 wherein we noted the District 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 District'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 District's internal control. Accordingly, we have not opined on it.

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 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 District'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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***Compliance and Other Matters***

As part of reasonably assuring whether the District'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 31, 2017.

**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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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# Dave Yost • Auditor of State

**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  
JULY 20, 2017**