



Dave Yost • Auditor of State



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South Central Mercer Fire District
Mercer County
640 Cooper Ave
St. Henry, Ohio 45883

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the South Central Mercer Fire District, Mercer County, (the Fire District) for the years ended December 31, 2016 and 2015.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Fire District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Fire District's financial statements, transactions or balances for the years ended December 31, 2016 and 2015.

The Fire District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. **Ohio Rev. Code Section 5705.41(B)** states no subdivision or taxing unit is to expend money unless it has been appropriated. For 2016 the approved appropriations were \$293,151 and the actual disbursements were \$299,264 for a variance of \$6,113. The Fire District should implement procedures to verify that the actual disbursements do not exceed appropriations, and if needed should approve amended appropriations when necessary.
2. The Fire District received a \$689 payment from Darke County that was not included on the 2016 Annual Financial Report. The Fire District should implement procedures to verify all receipts and expenditures are included in the accounting records and the Annual Financial Report.
3. **Ohio Rev. Code Section 117.38** provides that each public office shall file an annual report for each year. The report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year. The report shall contain the amount of collections and receipts, and accounts due from each source and the amount of expenditures for each purpose.

The Fire District did not file an annual report timely with the Auditor of State for 2016. The Fire District should implement procedures to verify that the annual report is completed and filed within sixty days after year end with the Auditor or State. A similar matter was also noted in the prior audit.

4. Mercer County does an electronic fund transfer of the tax levy revenues for the South Central Mercer Fire District directly into the bank accounts of the Burkettsville and St. Henry Volunteer Fire Departments. The volunteer fire departments are then responsible for recording all the financial transactions. Mercer County should be sending the payments directly to the Fire District, who then should send the proper amounts to each of the Fire Departments after maintaining funds to pay for board expenditures. A similar matter was noted in the prior audit.

Current Year Observations (Continued):

5. The Fire District did not maintain any type of financial ledgers showing its estimated receipts appropriations, tax levy receipts, or expenditures. Additionally, the Fire District did not have its own bank account to deposit receipts and issue expenditures. When the tax settlement sheets are received from the Mercer County Auditor, these revenues should be recorded and compared for accuracy. The expenditures should be recorded for the tax payments going to the St. Henry and Burkettsville Volunteer Fire Departments. These amounts should also be compared to the total appropriations. Additionally, the Fire District should perform monthly bank reconciliations. These financial ledgers and bank reconciliations should be reviewed by the governing board and any variances should be reviewed and resolved. A similar matter was noted in the prior audit. As of the date of this report, the Fire District has not opened a bank account nor established any accounting ledgers to track and monitor the financial position of the Fire District.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 9, 2017



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SOUTH CENTRAL MERCER FIRE DISTRICT

MERCER 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
NOVEMBER 28, 2017**