



OHIO AUDITOR OF STATE  
**KEITH FABER**







One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

## BASIC AUDIT REPORT

Southwest Mercer Fire District  
Mercer County  
111 South Main Street  
P.O. Box 528  
Fort Recovery, Ohio 45846

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Southwest Mercer Fire District, Mercer County, (the District) for the years ended December 31, 2020 and 2019.

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 District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The 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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

### Current Year Observations

1. We noted that the District did have a public records policy; however, the policy did not meet all the requirements and the District did not have a records retention schedule. Ohio Rev. Code § 149.43 requires the District to have a public records policy that meets all the outlined requirements and to approve and maintain a records retention schedule. The District should review its current public records policy and verify that it includes all the required elements. Additionally, the District should establish and approve a records retention schedule as outlined in the Ohio Rev. Code § 149.43.
2. We noted that the District's accounting system does not have systems integrated budget information as required by Ohio Admin. Code 117-2-02(C). The District should implement procedures to verify its accounting system integrates budget vs. actual information. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

### Current Status of Matters Reported in our Prior Engagement

3. In addition to the budgetary matter reported in item 2 above, our prior agreed-upon procedures report for the years ended December 31, 2018 and 2017 noted that a real estate receipt in 2018 was posted to the Capital Projects Fund instead of the General Fund. The accounting system correctly showed the property tax receipts in 2020 and 2019.

**Current Status of Matters Reported in our Prior Engagement (Continued)**

4. The prior agreed-upon procedures report noted that the Debt Service Fund was not included in the 2017 appropriations. We noted no issues with appropriations for 2020 or 2019.
5. The prior agreed-upon procedures report noted expenditures exceeded appropriations in the General Fund and Debt Service Fund in 2017. We noted no issues with expenditures exceeding appropriations in 2020 or 2019.
6. The prior agreed-upon procedures report noted the District established a Capital Projects Fund in 2018, however it was not approved by the Trustees via resolution or ordinance. We noted in 2019 that the Board of Trustee approved the capital projects fund; however, it was never sent to the Auditor of State (AOS) for approval. The District should obtain AOS approval for their Capital Projects Fund.
7. The prior agreed-upon procedures report noted the District did not file their financial statements in the Hinkle system timely for 2018 and 2017. Once the District did file its reports for 2018 and 2017, the filings were incomplete. We noted that in 2020 and 2019 the District timely and completely filed their financial report on the Hinkle system.
8. The prior agreed-upon procedures report noted the District's credit card policy was not in compliance with requirements of House Bill (HB) 312. The credit card policy was updated in 2019 to comply with HB 312 requirements.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 15, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**SOUTHWEST MERCER FIRE DISTRICT**

**MERCER COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/1/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)