



Dave Yost • Auditor of State



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South Central Fire District
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, 2014 and 2013.

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, 2014 and 2013.

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 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 with the Auditor of State for 2013 or 2014. The Fire District should prepare and file an annual report yearly with the Auditor or State. This matter was also noted in our prior engagement.

- 2) The Fire District did not maintain any type of financial records showing its estimated receipts, appropriations, tax levy receipts or payments made to the fire departments.

The lack of records to monitor the activity of the Fire District could result in the incorrect amount of tax levy funds being received and passed on to the fire departments.

The Fire District should maintain a ledger or spreadsheet which shows estimated receipts and appropriations. When the tax settlements sheets are received from the County Auditor, these revenues should be recorded and compared for accuracy to the estimated receipts. 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. Any variances should be reviewed and resolved. This matter was also noted in our prior engagement.

- 3) The County issued electronic fund transfers of the tax levy revenues for the South Central Fire District directly into the bank accounts of the Burkettsville and St. Henry Volunteer Fire Departments. The volunteer fire departments were then responsible for recording all the financial transactions. The Fire District started to receive a report listing the levy activity from each Volunteer Fire Department in 2013 but the Fire District did not verify the report for accuracy.

Current Year Observations (Continued)

Review of the reports noted that all revenue was not reported accurately by the St Henry Volunteer Fire Department and that two 2014 transactions was not split properly between the two Volunteer Fire Departments by the County Auditor. The lack of monitoring the reports that are submitted by the Volunteer Fire Departments to the Fire District could result in expenditures being made that are not for a proper public purpose or in accordance with the levy proceeds and the Volunteer Fire Departments not recognizing all revenue or receiving the proper amount from the levy proceeds.

Both volunteer fire departments should semi-annually submit an accounting of the revenue received and expenditures made with levy funds to the Fire District. The Fire District should hold meetings to review the reports to determine that the expenditures were for a proper public purpose and allowable according to the levy guidelines. Additionally, the Fire District should obtain the County Auditor's Vendor History reports or other documentation of payments to verify the proper amounts were received and recorded by each volunteer fire department. Any variances or questionable transactions should be resolved. The Board of the Fire District should document such review in its minutes and on the reports received from the Volunteer Fire Departments. This matter was also noted in our prior engagement.

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
Columbus, Ohio

July 15, 2015



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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
AUGUST 4, 2015**