



Dave Yost • Auditor of State



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West Elkton Gratis Township Fire District
Preble County
Camden, Ohio

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the West Elkton Gratis Township Fire District, Preble County, (the District) for the years ended December 31, 2015 and 2014.

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, 2015 and 2014.

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.

Current Year Observations

1. We noted that the District did not utilize purchase orders, blanket certificates, or then and now certificates on expenditures. Ohio Revised Code Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. Failure to properly certify the availability of funds can result in overspending of funds and negative cash fund balances. The District should utilize certifications of availability of funds.
2. We noted that the District failed to certify their available revenues to the County Auditor during the year ended December 31, 2014. Ohio Revised Code Section 5705.36(A)(1), provides that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units shall certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Failure to prepare documentation showing total amount available from all sources available for expenditures could result in overspending and negative fund cash balances. The District should prepare all required documentation.
3. We noted that the District failed to account for grant monies in a separate fund. The monies were accounted for in the General Fund of the District. The District additionally did not separately identify these monies on their Certificate of Estimated Resources from the County Budget Commission. Ohio Revised Code, Section 5705.09(F), requires the District to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure and anticipated expenditures should be included in the District's appropriations. The District should record these monies in a separate fund.

4. We noted that the District did not file the 2015 financial statements timely through the Hinkle system. The due date was February 29, 2016, and the District filed the 2015 financial statements on March 3, 2016. Ohio Rev. Code §117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. GAAP-basis entities must file annual reports within 150 days. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. Additionally, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer. The District should implement procedures to complete and file its Annual Report and publish a notice within the stated time period to provide timely year-end financial information.

Current Status of Matters We Reported in our Prior Engagement

1. Our prior basic audit of the years ended December 31, 2013 and 2012 reported that the District did not issue purchase orders, blanket certificates or "Then & Now" certificates on expenditures. The District does not utilize certifications as noted above in Current Year Observation #1.
2. The prior basic audit of the years ended December 31, 2013 and 2012, noted that the District did not certify available revenues to the County Auditor. Our review of the budgetary documentation from the County Auditor showed the District certified the available revenues for 2015. We did not find any indication that they certified their available revenues to the County Auditor for 2014. See Current Year Observation #2
3. The prior basic audit indicated that the Fiscal Officer failed to establish a separate fund to account for grant monies. These monies were not separately classified and accounted for during 2015 on their ledgers, financial reports or budgetary documents. See Current Year Observation #3



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August 29, 2016



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WEST ELKTON GRATIS TOWNSHIP FIRE DISTRICT

PREBLE 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
SEPTEMBER 8, 2016**