



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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South Central Mercer Fire District  
Mercer County  
640 Cooper Avenue  
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, 2018 and 2017.

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, 2018 and 2017.

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.

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

## Current Year Observations

We noted that a property tax payment in the amount of \$2,124.32 for 2018 was made from Mercer County directly to the St. Henry Fire Department instead of to the Fire District and thus was not properly recorded on the Fire District's financial statements and activity ledgers. This amount should have been included on the South Central Mercer Fire District's activity ledger as well as the financial statements filed in the HINKLE system. This led to revenues and expenditures being understated by the above amount.

## Current Status of Matters Reported in our Prior Engagement

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 \$299,264 for a variance of \$6,113. This issue has been corrected for the years ended December 31, 2018 and 2017.
2. The Fire District received a \$689 payment from Darke County that was not included on the 2016 Annual Financial Report. This matter occurred again during the audit period and is repeated above.
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. This issue has been corrected for the years ended December 31, 2018 and 2017.
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. The Fire District has established a bank account and begun to receive funds directly in 2018.

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. This issue has been corrected for the year ended December 31, 2018.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 29, 2019

# OHIO AUDITOR OF STATE KEITH FABER



**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 13, 2019**