



OHIO AUDITOR OF STATE
KEITH FABER



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

West Elkton Gratis Township Fire District
Preble County
West Elkton, Ohio 45070

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 Fire District) for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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

1. Ohio Revised Code Section 117.38 requires entities to file their annual financial information in the HINKLE system within 60 days after the close of the fiscal year. The financial statements for the year ended December 31, 2019 were filed on April 27, 2020 with a due date of March 2, 2020.
2. Ohio Revised Code Section 5705.39 provides, in part, that the total appropriations from each fund shall not exceed the total of the estimated resources available for expenditure. The Fire District's appropriations of \$74,408 exceeded estimated resources of \$60,100 for the year ended December 31, 2019, for the General Fund.
3. The Fire District had not established a credit card policy to govern the use of its credit card. The Board should approve a credit card policy that is in compliance with the House Bill 312 statutory requirements. In addition to the House Bill, additional information can be found in Auditor of State Bulletin 2018-003 and Optional Procedures Manual Section O-22 of the Ohio Compliance Supplement which are available at <https://ohioauditor.gov>.
4. The Fire District did not have a public records policy as required by Ohio Revised Code Section 149.43(E)(2). The Fire District had a public records notice which included the Fiscal Officer's contact information; however, this notice did not meet Ohio Revised Code requirements. Failure to have a public records policy could result in violation of Sunshine Laws.
5. The Fire District does not have a records retention policy or schedule as required by Ohio Revised Code Section 149.43(B)(2).
6. We noted that the Fire 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 Fire District should utilize certifications of availability of funds.

7. One of the Board members for the Fire District was also a Gratis Township Trustee. Pursuant to 1981 OAG 027, the Fire District may enter into a contract with Gratis Township for the provision of fire services within the Township but the Township trustees who are the members, but not a majority, of the Fire District board of trustees should recuse themselves from future consideration, deliberation, and voting on future contracts or extensions of contracts.

Current Status of Matters Reported in our Prior Engagement

Our prior audit for the years ended December 31, 2017 and 2016 included five observations. Observation #3 (establishment of a special fund for each class of revenues derived from a source other than the general property tax) was corrected during the current audit period. Observation #1 (appropriations exceeded estimated resources), #2 (utilization of purchase orders), #4 (timely filing in the Hinkle System) and #5 (fire contract matter with Gratis Township) were not corrected during the current audit period and are repeated as current year observations #2, #6, #1, and #7 above.



Keith Faber
Auditor of State

Columbus, Ohio

June 4, 2020

OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 18, 2020**