



Dave Yost • Auditor of State

November 25, 2013

South Central Mercer Fire District
Mercer County
281 Maple Street
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, 2012 and 2011.

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, 2012 or 2011.

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.

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 2011 or 2012. The Fire District should prepare and file an annual report yearly with the Auditor or State.

2. The Fire District did not maintain any type of financial records showing the 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 subtracted from the estimated receipts. Next, expenditures should be recorded for the tax payments going to the St. Henry and Burkettsville Volunteer Fire Departments. These amounts should also be subtracted from the total appropriations.

3. The County did electronic fund transfers of the tax levy revenues for the Fire District directly into the bank accounts of the Burkettsville and St. Henry Volunteer Fire Departments. The fire departments were then responsible for recording all the financial transactions. The Fire District didn't receive any type of report or listing of expenditures.

The lack of monitoring the expenditures made with levy proceeds could result in expenditures being made that are not for a proper public purpose or in accordance with the levy.

Both fire departments should semi-annually submit an accounting of the expenditures made with levy funds to the Fire District. The Fire District should hold a meeting to review the listing to determine that the expenditures were for a proper public purpose and were allowable in accordance with the levy guidelines and document such review in its minutes.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State of Ohio



Dave Yost • Auditor of State

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
DECEMBER 17, 2013**