



**Auditor of State
Betty Montgomery**

PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|------|
| Independent Accountants' Report | 1 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Types – For the Year Ended December 31, 2003..... | 3 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002..... | 4 |
| Notes to the Financial Statements | 5 |
| Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 11 |
| Schedule of Findings | 13 |
| Schedule of Prior Year Findings | 16 |

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Porter-Kingston Fire District
Delaware County
12844 Olive Green Road
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of Porter-Kingston Fire District, Delaware County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Porter-Kingston Fire District, Delaware County, Ohio, as of December 31, 2003, and December 31, 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Porter-Kingston Fire District
Delaware County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 16, 2004

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | <u>Governmental Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|-------------------------|---|
| | <u>General</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | |
| Local Taxes | \$373,280 | \$25,532 | \$398,812 |
| Intergovernmental | 54,120 | 3,201 | 57,321 |
| Earnings on Investments | 875 | 0 | 875 |
| Miscellaneous | 3,419 | 0 | 3,419 |
| | <u>431,694</u> | <u>28,733</u> | <u>460,427</u> |
| Total Cash Receipts | | | |
| | 431,694 | 28,733 | 460,427 |
| Cash Disbursements: | | | |
| Current: | | | |
| Security of Persons and Property | 196,949 | 0 | 196,949 |
| General Government | 122,052 | 0 | 122,052 |
| Debt Service: | | | |
| Redemption of Principal | 100,000 | 15,000 | 115,000 |
| Interest | 0 | 10,204 | 10,204 |
| | <u>419,001</u> | <u>25,204</u> | <u>444,205</u> |
| Total Disbursements | | | |
| | 419,001 | 25,204 | 444,205 |
| Total Receipts Over Disbursements | 12,693 | 3,529 | 16,222 |
| Fund Cash Balances, January 1 | 118,717 | 1,784 | 120,501 |
| Fund Cash Balances, December 31 | <u><u>\$131,410</u></u> | <u><u>\$5,313</u></u> | <u><u>\$136,723</u></u> |

The notes to the financial statements are an integral part of this statement.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| | <u>Governmental Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|---|--------------------------------|-------------------------|---|
| | <u>General</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | |
| Local Taxes | \$253,718 | \$24,884 | \$278,602 |
| Intergovernmental | 31,628 | 3,153 | 34,781 |
| Earnings on Investments | 3,249 | 0 | 3,249 |
| Miscellaneous | 1,388 | 0 | 1,388 |
| Total Cash Receipts | <u>289,983</u> | <u>28,037</u> | <u>318,020</u> |
| Cash Disbursements: | | | |
| Current: | | | |
| Security of Persons and Property | 86,221 | 0 | 86,221 |
| General Government | 62,833 | 0 | 62,833 |
| Debt Service: | | | |
| Redemption of Principal | 0 | 15,000 | 15,000 |
| Interest | 0 | 11,253 | 11,253 |
| Capital Outlay | 366,633 | 0 | 366,633 |
| Total Disbursements | <u>515,687</u> | <u>26,253</u> | <u>541,940</u> |
| Total Receipts Over/(Under) Disbursements | <u>(225,704)</u> | <u>1,784</u> | <u>(223,920)</u> |
| Other Financing Receipts: | | | |
| Proceeds of Notes | 100,000 | 0 | 100,000 |
| Total Other Financing Receipts | <u>100,000</u> | <u>0</u> | <u>100,000</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements | (125,704) | 1,784 | (123,920) |
| Fund Cash Balances, January 1 | 244,421 | 0 | 244,421 |
| Fund Cash Balances, December 31 | <u>\$118,717</u> | <u>\$1,784</u> | <u>\$120,501</u> |

The notes to the financial statements are an integral part of this statement.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Porter-Kingston Fire District, Delaware County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board of Trustees. The Board consists of one board member that is appointed by each political subdivision within the District, one resident to be appointed by each political subdivision within the District, and one board member selected by the Porter-Kingston Firefighters Association. Those subdivisions within the District are Porter Township and Kingston Township. The District provides fire protection and rescue services within the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Debt Service Fund

This fund is used to accumulate resources for bond and note indebtedness. The District had the following significant Debt Service Fund:

Debt Service Fund- This fund receives local property tax and intergovernmental receipts to retire outstanding debt.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting, nor did it certify its expenditures, as required by law.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

| | | |
|-----------------|-------------|-------------|
| | <u>2003</u> | <u>2002</u> |
| Demand deposits | \$136,723 | \$120,501 |

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

| 2003 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$414,278 | \$431,694 | \$17,416 |
| Debt Service | 28,067 | 28,733 | 666 |
| Total | \$442,345 | \$460,427 | \$18,082 |

| 2003 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$487,500 | \$419,001 | \$68,499 |
| Debt Service | 24,800 | 25,204 | (404) |
| Total | \$512,300 | \$444,205 | \$68,095 |

| 2002 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$285,823 | \$389,983 | \$104,160 |
| Debt Service | 27,710 | 28,037 | 327 |
| Total | \$313,533 | \$418,020 | \$104,487 |

| 2002 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$369,000 | \$515,687 | (\$146,687) |
| Debt Service | 25,850 | 26,253 | (403) |
| Total | \$394,850 | \$541,940 | (\$147,090) |

Contrary to Ohio law, budgetary expenditures exceeded the appropriation authority (the legal level of control is the object level) in the General Fund and the Debt Service Fund in both 2003 and 2002.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. PROPERTY TAX (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

| | Principal | Interest Rate |
|--------------------------|-----------|---------------|
| General Obligation Bonds | \$125,000 | 7.00% |

The District issued general obligation bonds to finance the construction of a fire station. The bonds were issued on February 6, 1990 in the amount of \$240,000 and mature on December 1, 2010. The bonds are collateralized solely by the District's taxing authority.

Amortization of the above debt, including interest, is scheduled as follows:

| | General Obligation Bonds |
|--------------------------|--------------------------------|
| Year ending December 31: | |
| 2004 | \$23,750 |
| 2005 | 22,700 |
| 2006 | 21,650 |
| 2007 | 25,600 |
| 2008 | 24,200 |
| 2009 - 2010 | 44,200 |
| Total | \$162,100 |

The District issued a Note on December 18, 2002 for \$100,150 to cover current year operating expenses. The note was retired as of December 31, 2003.

6. RETIREMENT SYSTEMS

The District's full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of OP&F contributed 10% of their wages to the OP&F. The District contributed an amount equal to 24% of their wages. PERS member employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Risk Pool Membership

Through April 30, 2003, the District belonged to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The District did not re-new its risk pool membership with Ohio Government Risk Management Plan, but went to a provide carrier.

Commercial Insurance

As of May 1, 2003, the District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Porter-Kingston Fire District
Delaware County
12844 Olive Green Road
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the financial statements of Porter-Kingston Fire District, Delaware County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated August 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 through 2003-2003. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated August 16, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated August 16, 2004.

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Porter-Kingston Fire District
Delaware County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 16, 2004

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

| | |
|-----------------------|-----------------|
| FINDING NUMBER | 2003-001 |
|-----------------------|-----------------|

Finding Repaid Under Audit

Ohio Rev. Code Section 505.371(B) states, in part, that the board of fire district trustees may be compensated at a rate not to exceed thirty dollars per meeting, not to exceed fifteen meetings per year, and may be reimbursed for all necessary expenses incurred.

In 2003, the District Board of Trustees President attended eleven meetings for the year. Of the eleven meetings attended, the Board President was compensated for only seven meetings, but at the rate of \$100 per meeting, or \$700. The Board President should have received compensation of \$30 for each of the seven meetings instead of \$100, or \$210, and \$30 for each meeting in which no compensation was received, or \$120. Consequently, the Board President was over compensated \$370 (\$700-\$210-\$120) for the meetings attended in 2003.

By resolution, the Board approved the \$100 per meeting rate paid to the Board President, and the Clerk, Gregory Roy, signed the checks drawn on the District's bank account.

We recommend the Board establish compensation in accordance with Ohio Rev. Code Section 505.371(B).

The amount of \$370 was repaid by Phillip Gentile on October 16, 2004.

| | |
|-----------------------|-----------------|
| FINDING NUMBER | 2003-002 |
|-----------------------|-----------------|

Expenditures in Excess of Appropriations

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The District's expenditures exceeded its appropriations at the object level (legal level of control) during fiscal years 2003 and 2002, as summarized below:

| Fiscal Year 2003 | | | |
|------------------------------------|---------------------|-----------------------|-----------------|
| Fund/Object Level | Expenditures | Appropriations | Variance |
| General Fund | | | |
| Employer's Retirement Contribution | \$ 1,027 | \$ 1,000 | \$ 27 |
| Assessment and Contributions | 18,262 | 15,000 | 3,262 |
| Debt Service Fund | | | |
| Interest | 10,204 | 9,800 | 404 |

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

| | |
|-----------------------|-----------------------------|
| FINDING NUMBER | 2003-002 (Continued) |
|-----------------------|-----------------------------|

Expenditures in Excess of Appropriations (Continued)

| Fiscal Year 2002 | | | |
|-----------------------------|---------------------|-----------------------|-----------------|
| Fund/Object Level | Expenditures | Appropriations | Variance |
| General Fund | | | |
| New Buildings and Equipment | \$ 27,296 | \$ 10,000 | \$ 17,296 |
| Tools and Equipment | 348,973 | 150,000 | 198,973 |
| Supplies | 37,082 | 20,000 | 17,082 |
| Insurance | 15,178 | 15,000 | 178 |
| | | | |
| Debt Service Fund | | | |
| Interest | 11,253 | 10,850 | 403 |

We recommend the District ensure that expenditures do not exceed appropriations levels. If appropriations are expected to be insufficient, the Clerk should submit requests for an amended appropriation measure prior to the expenditure of funds.

| | |
|-----------------------|-----------------|
| FINDING NUMBER | 2003-003 |
|-----------------------|-----------------|

Fiscal Officer Certification

Ohio Rev. Code Section 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the District may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of Board upon completion of a then and now certificate, if such expenditure is otherwise valid. As of April 7, 2003, this amount was increased to \$3,000.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002
(Continued)**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

| | |
|-----------------------|-----------------------------|
| FINDING NUMBER | 2003-003 (Continued) |
|-----------------------|-----------------------------|

Fiscal Officer Certification (Continued)

The District did not certify its expenditures, nor did it use the encumbrance method of accounting during fiscal years 2003 or 2002. The certification of expenditures and the encumbrance method of accounting is not only a requirement under Ohio law, but their existence and proper application can enhance the expenditure cycle's internal control structure by ensuring all expenditures are properly pre-approved and that the governing body has allocated resources (the appropriation) to meet anticipated purchase commitments.

Therefore, not only to enhance the expenditure cycle's internal control structure but to comply with Ohio law, we recommend the District make no expenditure, unless a certification of the expenditure occurred at the time of the purchase commitment and the amount is encumbered. In those cases where the certification did not occur timely, the fiscal officer should certify using the "then and now" provision permitted under this section. However, the continued application of the exception provision will reduce the effectiveness of the internal control structure. Exercising of the provision should not become the rule in approving purchase commitments.

**PORTER-KINGSTON FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|----------------|---|------------------|---|
| 2001-001 | Revised Code 5705.41(D), failure to certify funds | No | Not Corrected- reissued as 2003-003 |



**Auditor of State
Betty Montgomery**

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**PORTER-KINGSTON FIRE DISTRICT
DELAWARE 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 28, 2004**