



**Auditor of State
Betty Montgomery**

SEAL TOWNSHIP
PIKE COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Seal Township
Pike County
P.O. Box 262
Piketon, Ohio 45661

To the Board of Trustees:

We have audited the accompanying financial statements of Seal Township, Pike County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township'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. The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Seal Township, Pike County, as of December 31, 2003 and 2002, and its combined 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 November 1, 2004 on our consideration of the Township'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.

Seal Township
Pike County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of 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

November 1, 2004

**SEAL TOWNSHIP
PIKE COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$13,515	\$103,131	\$116,646
Intergovernmental	33,107	92,335	125,442
Licenses, Permits, and Fees	39,794	14,300	54,094
Earnings on Investments	753	201	954
Other Revenue	521	17,600	18,121
	<u>87,690</u>	<u>227,567</u>	<u>315,257</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	71,398	25,443	96,841
Public Safety		1,305	1,305
Public Works		54,144	54,144
Health		48,666	48,666
Capital Outlay	67,314	358,227	425,541
Debt Service:			
Redemption of Principal	83,119	79,837	162,956
Interest and Fiscal Charges	2,751	7,744	10,495
	<u>224,582</u>	<u>575,366</u>	<u>799,948</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(136,892)</u>	<u>(347,799)</u>	<u>(484,691)</u>
Other Financing Receipts/(Disbursements):			
Sale of Notes	63,360		63,360
Other Debt Proceeds	65,119	380,763	445,882
Sale of Fixed Assets	11,050	4,500	15,550
	<u>139,529</u>	<u>385,263</u>	<u>524,792</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,637	37,464	40,101
Fund Cash Balances, January 1	23,224	135,299	158,523
Fund Cash Balances, December 31	<u><u>\$25,861</u></u>	<u><u>\$172,763</u></u>	<u><u>\$198,624</u></u>

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

**SEAL TOWNSHIP
PIKE COUNTY**

**COMBINED 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,145	\$97,553	\$112,698
Intergovernmental	30,488	70,199	100,687
Licenses, Permits, and Fees	43,383	17,550	60,933
Earnings on Investments	656	402	1,058
Other Revenue	1,486	7,700	9,186
	<u>91,158</u>	<u>193,404</u>	<u>284,562</u>
Cash Disbursements:			
Current:			
General Government	68,854	19,589	88,443
Public Works		74,449	74,449
Health		67,512	67,512
Public Safety	22,435		22,435
Other	588		588
Capital Outlay	60,028	7,281	67,309
Debt Service:			
Redemption of Principal	92,088	45,201	137,289
Interest and Fiscal Charges	1,031	9,410	10,441
	<u>245,024</u>	<u>223,442</u>	<u>468,466</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(153,866)</u>	<u>(30,038)</u>	<u>(183,904)</u>
Other Financing Receipts/(Disbursements):			
Sale of Notes	56,039		56,039
Other Debt Proceeds	83,119	10,178	93,297
	<u>139,158</u>	<u>10,178</u>	<u>149,336</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,708)	(19,860)	(34,568)
Fund Cash Balances, January 1	<u>37,932</u>	<u>155,159</u>	<u>193,091</u>
Fund Cash Balances, December 31	<u>\$23,224</u>	<u>\$135,299</u>	<u>\$158,523</u>
Reserve for Encumbrances, December 31	<u>\$492</u>	<u>\$261</u>	<u>\$753</u>

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

**SEAL TOWNSHIP
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Seal Township, Pike County (the Township), 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 Township is directed by a publicly-elected three-member Board of Trustees and a publicly-elected Clerk. The Township provides road and bridge maintenance, cemetery maintenance, ambulance services, and fire protection.

The Township's management believes these financial statements present all activities for which the Township 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 Township uses fund accounting to segregate cash that is restricted as to use. The Township 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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Cemetery Fund – This fund receives tax levy money for maintaining the cemeteries.

Fire Fund – This fund receives tax levy money for the purpose of providing fire protection to residents of the Township.

**SEAL TOWNSHIP
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Township 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 was as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	<u>\$198,624</u>	<u>\$158,523</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by specific securities pledged by the financial institution of the Township. The Township did not require the depository to provide as security an amount equal to funds on deposit during 2003 or 2002 contrary to Ohio Rev. Code Section 135.18.

**SEAL TOWNSHIP
PIKE 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 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$166,318	\$227,219	\$60,901
Special Revenue	534,423	612,830	78,407
Total	\$700,741	\$840,049	\$139,308

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$178,197	\$224,582	(\$46,385)
Special Revenue	303,441	575,366	(271,925)
Total	\$481,638	\$799,948	(\$318,310)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$142,222	\$230,316	\$88,094
Special Revenue	240,380	203,582	(36,798)
Total	\$382,602	\$433,898	\$51,296

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$180,864	\$245,516	(\$64,652)
Special Revenue	306,205	223,703	82,502
Total	\$487,069	\$469,219	\$17,850

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund and for the following Special Revenue Fund types; Gasoline Tax Fund, Cemetery Fund and Fire Fund for 2002 and 2003.

**SEAL TOWNSHIP
PIKE COUNTY**

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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 Township.

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Loan	\$26,473	5.25%
Fire Truck Lease	80,100	5.56%
Fire Truck Lease (2003)	322,477	5%
Pick Up Truck Loan	4,814	4%
Township Building Loan	39,018	5.75%
Backhoe Loan	42,766	3.9%
Mower/Tractor Loan	63,374	4%
Total	<u>\$579,022</u>	

The Dump Truck Loan was issued on April 11, 2003 for a one year period. The loan was collateralized by the dump truck. The fire truck was leased on May 29, 1998 for ten years with annual payments of \$18,771, including interest.

The new fire truck was leased on December 2, 2003 for fifteen years with annual payments of \$25,000 for the first five years and \$36,793 for the remaining 10 years, including interest. The lease was collateralized by the fire truck.

The loan for the pick up truck was issued on April 11, 2003 for a one year period. The loan was collateralized by the pick up truck.

The Township Building Loan was issued on April 11, 2003 for a one year period. The loan was collateralized by the Township building.

The Backhoe Loan was issued on March 7, 2003 for a one year period. The loan was collateralized by the backhoe. The Mower/Tractor Loan was issued on February 6, 2003 for a one year period. The loan was collateralized by the mower/tractor.

**SEAL TOWNSHIP
PIKE COUNTY**

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

5. DEBT (Continued)

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

	Township Building Loan	Backhoe Loan	New Fire Truck Lease	Dump Truck Loan	Pick Up Truck Loan	Fire Truck Lease	Tractor- Mower Lease	Total
2004	\$41,277	\$58,259	\$25,000	\$27,867	\$5,006	\$18,771	\$66,535	\$ 242,715
2005			25,000			18,771		43,771
2006			25,000			18,771		43,771
2007			25,000			18,771		43,771
2008			25,000			18,771		43,771
2009-2013			183,965					183,965
2014-2018			183,965					183,965
Total	\$41,277	\$58,259	\$492,930	\$27,867	\$5,006	\$93,855	\$66,535	\$ 785,729

The one-year loans are rollover loans that are usually reissued in the following year.

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**SEAL TOWNSHIP
PIKE COUNTY**

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

7. RISK MANAGEMENT (Continued)

Risk Pool Membership (Continued)

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31.

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$27,792,223	\$23,757,036
Liabilities	(11,791,300)	(9,197,512)
Retained earnings	<u>\$16,000,923</u>	<u>\$14,559,524</u>

<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$6,791,060	\$6,596,996
Liabilities	(750,956)	(1,204,326)
Retained earnings	<u>\$6,040,104</u>	<u>\$5,392,670</u>



Auditor of State Betty Montgomery

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

Seal Township
Pike County
P.O. Box 262
Piketon, Ohio 45661

To Board of Trustees:

We have audited the accompanying financial statements of Seal Township, Pike County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated November 1, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards considers this service to impair the independence of the Auditor of State to conduct the audit, of the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. 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 the Township'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 we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated November 1, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township'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 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 the Township's management in a separate letter dated November 1, 2004.

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Seal Township
Pike County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is solely intended for the information and use of 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

November 1, 2004

SEAL TOWNSHIP
PIKE 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

Noncompliance Citation

Ohio Rev. Code Section 135.18(A) requires the Township to require a depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds or pledged collateral, among others.

The Township had funds on deposit exceeding amounts covered by FDIC in 2003 in the amount of \$91,317 and in 2002 in the amount of \$51,511. The bank only provided \$10,000 of collateral in excess of the FDIC coverage, resulting in \$81,317 and \$41,511 of inadequate collateral in 2003 and 2002, respectively.

We recommend the Township require its depository to provide security equal to funds on deposit at all times.

FINDING NUMBER 2003-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) requires no subdivision or taxing authority to expend money unless it has been appropriated.

The expenditures exceeded the legislatively approved appropriations at the legal level of control in the following funds/accounts:

For 2002:

General Fund:

General Government:

Medical/Hospitalization	\$1,500
Telephone	\$96
Principal	\$83,119

Gasoline Tax Fund:

Highways:

Trustee Salaries	\$260
Staff Salaries	\$1,358
Principal	\$10,178

Cemetery Fund:

Cemeteries:

Trustee Salaries	\$401
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SEAL TOWNSHIP
PIKE COUNTY

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2003-002 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(B) (Continued):

Fire Fund:

Fire Administration:

County Auditor Fees	\$256
Contracted Services	\$824

For 2003:

General Fund:

General Government:

Medical/Hospitalization	\$1,439
Workers Compensation	\$256
Telephone	\$486
Principal	65,199

Gasoline Tax Fund:

Highways:

Contracted Services	\$9,352
Principal	\$5,478

Cemetery Fund:

Cemeteries:

Trustee Salaries	\$1,208
Principal	\$42,766

Fire Fund:

Fire Administration:

County Auditor Fees	\$1,009
Natural Gas	\$1,216
Land	\$698
Capital Outlay	\$331,177

We adjusted the expenditures in the Fire Fund for the capital outlay line item to properly record debt the Township did not record. We also adjusted the expenditures in the General Fund, Gasoline Tax Fund, and Cemetery Fund in the principal line item to properly record debt the Township did not record. These adjustments caused expenditures to exceed appropriations.

We recommend the Township Clerk monitor available appropriations, and deny payments that exceed appropriations. If available resources exist to make payment, management should request the Board of Trustees to consider amending appropriations through Board resolution.

SEAL TOWNSHIP
PIKE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40776-001	Ohio Rev. Code Section 135.18- Inadequate pledged collateral	No	Not corrected. Issued as Finding Number 2003-001.



**Auditor of State
Betty Montgomery**

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SEAL TOWNSHIP

PIKE 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 30, 2004**