



**Auditor of State
Betty Montgomery**

MORGAN TOWNSHIP
GALLIA COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Morgan Township
Gallia County
4240 Morgan Lane
Vinton, Ohio 45686

To the Board of Trustees:

We were engaged to audit the accompanying financial statements of Morgan Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management.

The Township did not provide sufficient records, documents, and evidential matter to support the accuracy, existence, and completeness of recorded receipts and disbursements and we were unable to satisfy ourselves as to those receipts, disbursements and fund cash balances by other auditing procedures.

Because of lack of sufficient evidence, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

The Auditor of State has billed Morgan Township, Gallia County, for audit services provided through the year ended December 31, 2000. As of the date of this report, the Township has been billed a total of \$4,332 and has yet to pay \$1,274.

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.

The Township is experiencing certain financial difficulties. Those conditions and management's plans to address those conditions, are described in Note 7.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2003 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 engagement performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our engagement.

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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

June 13, 2003

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**MORGAN TOWNSHIP
GALLIA 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$9,017	\$5,958	\$14,975
Intergovernmental	15,709	60,124	75,833
Charges for Services	10,406		10,406
Interest	18	53	71
Other Revenue	5,013		5,013
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	40,163	66,135	106,298
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	42,972		42,972
Public Safety		3,355	3,355
Public Works		63,286	63,286
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	42,972	66,641	109,613
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(2,809)	(506)	(3,315)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	(14,995)	13,746	(1,249)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>(\$17,804)</u>	<u>\$13,240</u>	<u>(\$4,564)</u>

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

**MORGAN TOWNSHIP
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$9,672	\$6,325	\$15,997
Intergovernmental	13,815	63,830	77,645
Charges for Services	7,580		7,580
Interest	62	185	247
Other Revenue	1,135		1,135
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	32,264	70,340	102,604
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	36,337		36,337
Public Safety		8,670	8,670
Public Works		71,206	71,206
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	36,337	79,876	116,213
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(4,073)	(9,536)	(13,609)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	(10,922)	23,282	12,360
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>(\$14,995)</u>	<u>\$13,746</u>	<u>(\$1,249)</u>

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

**MORGAN TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Morgan Township, Gallia 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 maintenance and fire protection services. The Township contracted with the Village of Vinton to provide fire services during 2001 and 2002.

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. Cash and Investments

The Township did not have any investments during 2001 or 2002.

D. 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 Fund:

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

Motor Vehicle License Fund - This fund receives motor vehicle license monies for constructing, maintaining and repairing Township roads.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 fund, function or 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 balances 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 canceled, and reappropriated in the subsequent year. The Township did not use the encumbrance method of accounting.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. 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 statement.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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>2002</u>	<u>2001</u>
Demand deposits	<u>(\$4,564)</u>	<u>(\$1,249)</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$40,163	\$40,163
Special Revenue	0	66,135	66,135
Total	\$0	\$106,298	\$106,298

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$60,045	\$42,972	\$17,073
Special Revenue	66,464	66,641	(177)
Total	\$126,509	\$109,613	\$16,896

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$32,264	\$32,264
Special Revenue	0	70,340	70,340
Total	\$0	\$102,604	\$102,604

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$36,337	(\$36,337)
Special Revenue	0	79,876	(79,876)
Total	\$0	\$116,213	(\$116,213)

The Township had negative fund balances in the General Fund, Motor Vehicle License Fund and Gasoline Tax Fund of \$17,804, \$1,229 and \$3,586, respectively, at December 31, 2002. The Township also had negative fund balances in the General Fund and Gasoline Tax Fund of \$14,995 and \$3,765, respectively, at December 31, 2001. These conditions are contrary to Ohio Revised Code Section 5705.10. No amended certificates of estimated resources were on file for 2001 or 2002, contrary to Ohio Revised Code 5705.36. The appropriations exceeded estimated resources for 2002 in all funds by 100% due to no amended certificates being filed, contrary to Ohio Revised Code 5705.39. Also, budgetary expenditures exceeded appropriation authority for all funds in 2001 and in the Motor Vehicle License Fund in 2002 by \$6,400, contrary to Ohio Revised Code 5705.41(B).

**MORGAN TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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 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. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 2002 and 2001, PERS 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, 2002.

6. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. 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. Claims exceeding \$250,000 are reinsured with APEEP 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.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK MANAGEMENT (Continued)

Risk Pool Membership (Continued)

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed 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 government.

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>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	(9,197,512)	(9,379,003)
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	(1,204,326)	(647,667)
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

The Township also provides health insurance to the elected officials through a private carrier.

7. FISCAL DIFFICULTIES

At December 31, 2002, the General Fund had a deficit balance of \$17,804, the Motor Vehicle License Fund had a deficit balance of \$1,229 and the Gas Tax Fund had a deficit balance of \$3,586. Management plans to attempt to reduce unnecessary disbursements of the Township, apply for grants as they become available, and has enacted a \$5.00 motor vehicle license fee in an attempt to reduce or eliminate the deficit balances. As of May 31, 2003, the General Fund had an unaudited cash balance (deficit) of \$(15,978).

8. CONTRACTUAL COMMITMENTS

At December 31, 2002, the Township had a balance of \$1,824 owed to the Auditor of State for the prior audit costs and a balance of \$5,610 owed to Gallia County Engineer's office for road maintenance and services provided. At May 31, 2003, these balances were \$1,774 and \$870, respectively.

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**Auditor of State
Betty Montgomery**

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

Morgan Township
Gallia County
4240 Morgan Lane
Vinton, Ohio 45686

To the Board of Trustees:

We were engaged to audit the financial statements of the Morgan Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 13, 2003, wherein we disclaimed an opinion for a lack of supporting financial records.

Compliance

As part of our engagement, we performed tests of the Township's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001 through 2002-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 13, 2003.

Internal Control Over Financial Reporting

In planning and performing our engagement, we considered the Township's internal control over financial reporting in order to determine our procedures. However, our procedures were not designed to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-005.

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 may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2002-005 to be a material weakness. We also 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 Township in a separate letter dated June 13, 2003.

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.



Betty Montgomery
Auditor of State

June 13, 2003

**MORGAN TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 5705.10 states in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. Money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover expenses of another fund.

The audited financial statements present the information after the adjustments we proposed had been made. The posting of the adjustments to the financial statements resulted in negative fund balances for the General Fund of \$17,804, for the Motor Vehicle License Fund of \$1,229, and for the Gasoline Tax Fund of \$3,586 at December 31, 2002. We also noted that there was a negative fund balance for the General Fund of \$14,995 and for the Gasoline Tax Fund of \$3,765 at December 31, 2001.

We recommend the Township monitor receipts/expenditures and fund balances to avoid negative fund balances. In addition, we recommend the Township determine appropriate actions to pursue in order to eliminate the negative fund balances.

FINDING NUMBER 2002-002

Noncompliance Citation

Ohio Rev. Code Section 5705.36 allows for all subdivisions to request increase amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

Ohio Rev. Code Section 5705.39 states that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official certificate.

There were no amended certificates of estimated resources on file for 2001 or 2002 for the Township. This led to appropriations exceeding actual receipts plus beginning-of-year fund balances, in violation of Ohio Rev. Code Section 5705.39 for 2002. No appropriations were filed for 2001.

We recommend that the Township file an amended certificate at the beginning of each year. We further recommend that if the Township determines that the revenues will exceed current estimates, and the Trustees wish to appropriate the increase, an amended certificate should be requested. Proper monitoring of the budgetary activity by the Board and the Clerk would enable management to make such determinations, and more effectively monitor the activities of the Township.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-003

Noncompliance Citation

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

There was no appropriation measure approved for 2001. As a result, all expenditures made during 2001 were made without appropriations, and were, therefore, in violation of this code section. At December 31, 2002, expenditures exceeded appropriations in the Motor Vehicle License Fund by \$6,400 or 48%.

We recommend the Township approve an annual appropriation measure on or about the first day of each year and file it with the county budget commission. In addition, the Clerk should deny payments for which there is insufficient appropriations.

FINDING NUMBER 2002-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the Township Clerk. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates - 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 Township Trustees 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.
- B. If the amount involved is less than \$1,000 (which was increased to \$3,000 on April 7, 2003), the Township Clerk may authorize payment through a Then and Now Certificate without affirmation of the Township Trustees, if such expenditure is otherwise valid.

The Township did not use the encumbrance method of accounting, (i.e., the Township Clerk did not certify the availability of funds as required by Ohio Law). This has resulted in deficit spending.

We recommend the Township not expend money without obtaining the above stated certificate.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

FINDING NUMBER 2002-005

Material Weakness

The Clerk did not maintain appropriate accounting records needed for the management of the Township. The Clerk did not prepare monthly bank reconciliations to reconcile the bank statements to the cashbook. Not performing these monthly reconciliations resulted in errors that went undetected by the Clerk. The Clerk maintained a cashbook and payroll ledger, but no appropriations ledger and receipts ledger was prepared for 2001 and the ledgers prepared for 2002 did not include budgeted amounts. Since the proper ledgers were not maintained, the Clerk did not prepare monthly financial statements to present to the Board.

The appropriations ledger should contain actual expenditures with a running total to be compared to the appropriations for each line item appropriated throughout the year. The receipts ledger should compare the actual receipts to the budgeted receipts for each line item. A running total should be maintained throughout the year.

We recommend the Clerk prepare monthly reconciliations in a timely manner. We further recommend the Clerk maintain an appropriations ledger and receipts ledger, as well as the cashbook and payroll ledger, to aid the Clerk in the preparation of the annual report and monthly financial statements.

Ohio Administrative Code Section 117-2-02 describes records governments should maintain as part of an effective system of accounting and control. Management should review these requirements.

**MORGAN TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-40727-001	Ohio Rev. Code Section 505.24(B)(3) – Trustee was overpaid.	Yes	Corrected
2000-40727-002	Ohio Rev. Code Section 5705.10 – Negative fund balances	No	Not Corrected. Refer to Finding Number 2002-001.
2000-40727-003	Ohio Rev. Code Section 5705.41(B) – Disbursements exceeded appropriations.	No	Not Corrected. Refer to Finding Number 2002-003.
2000-40727-004	Ohio Rev. Code Section 5705.41(D) – Disbursements were not properly encumbered.	No	Partially Corrected, Refer to Finding Number 2002-004.
2000-40727-005	Ohio Rev. Code Section 5705.39 – Appropriations exceeded estimated resources	No	Not Corrected. Refer to Finding Number 2002-003.
2000-40727-006	Ohio Rev. Code Section 5705.36 – Estimated receipts were unrealistic.	No	Not Corrected. Refer to Finding Number 2002-002.
2000-40727-007	The Township lacked adequate accounting records.	No	Not Corrected. Refer to Finding Number 2002-005.



**Auditor of State
Betty Montgomery**

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MORGAN TOWNSHIP

GALLIA 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 14, 2003**