



**Auditor of State
Betty Montgomery**

MALTA TOWNSHIP
MORGAN COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Malta Township
Morgan County
2817 Conk Palmer Road
Malta, Ohio 43758

To the Board of Township Trustees:

We have audited the accompanying financial statements of Malta Township, Morgan 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 conduct the audit of 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 described 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 of Malta Township, Morgan 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 October 20, 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.

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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 Section 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

October 20, 2004

**MALTA TOWNSHIP
MORGAN 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$16,381	\$39,347	\$55,728
Intergovernmental	15,157	92,831	107,988
Earnings on Investments	137	140	277
Other Revenue		2,097	2,097
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	31,675	134,415	166,090
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	31,357		31,357
Public Safety		16,288	16,288
Public Works		89,580	89,580
Debt Service:			
Redemption of Principal		5,000	5,000
Interest and Fiscal Charges		245	245
Capital Outlay		2,551	2,551
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	31,357	113,664	145,021
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	318	20,751	21,069
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/ Disbursements:			
Transfers-In		10,498	10,498
Transfers-Out		(10,498)	(10,498)
Advances-In	638	638	1,276
Advances-Out	(638)	(638)	(1,276)
Other Financing Sources	1,262		1,262
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/ Disbursements:	1,262	0	1,262
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	1,580	20,751	22,331
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	258	8,350	8,608
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$1,838</u>	<u>\$29,101</u>	<u>\$30,939</u>

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

**MALTA TOWNSHIP
MORGAN 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:			
Property and Other Local Taxes	\$21,579	\$39,999	\$61,578
Intergovernmental	12,599	63,603	76,202
Earnings on Investments	254	254	508
Other Revenue	1,189	2,031	3,220
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	35,621	105,887	141,508
Cash Disbursements:			
Current:			
General Government	36,063		36,063
Public Safety		19,075	19,075
Public Works		84,824	84,824
Debt Service:			
Redemption of Principal		5,000	5,000
Interest and Fiscal Charges		672	672
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	36,063	109,571	145,634
Total of Cash Receipts Over/(Under) Cash Disbursements	(442)	(3,684)	(4,126)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	700	12,034	12,734
Fund Cash Balances, December 31	<hr/> \$258 <hr/>	<hr/> \$8,350 <hr/>	<hr/> \$8,608 <hr/>

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

**MALTA TOWNSHIP
MORGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Malta Township, Morgan 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. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection services. The Township contracts with M&M Volunteer Fire Department to provide fire services. The Township is involved with the Malta Union Cemetery which is defined as a joint venture. Additional information concerning the joint venture is presented in Note 9.

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 Fund:

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

D. Budgetary Process

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

**MALTA TOWNSHIP
MORGAN 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 fund 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

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.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

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>\$30,939</u>	<u>\$8,608</u>

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

**MALTA TOWNSHIP
MORGAN 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	\$47,889	\$33,575	(\$14,314)
Special Revenue	134,677	145,551	10,874
Total	\$182,566	\$179,126	(\$3,440)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$43,374	\$31,995	\$11,379
Special Revenue	120,005	124,800	(4,795)
Total	\$163,379	\$156,795	\$6,584

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,350	\$35,621	(\$7,729)
Special Revenue	127,573	105,887	(21,686)
Total	\$170,923	\$141,508	(\$29,415)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$45,047	\$36,063	\$8,984
Special Revenue	129,635	109,571	20,064
Total	\$174,682	\$145,634	\$29,048

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.

**MALTA TOWNSHIP
MORGAN 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 Township.

5. RETIREMENT SYSTEMS

The Township's 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.

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 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.

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.

**MALTA TOWNSHIP
MORGAN COUNTY**

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

6. RISK MANAGEMENT (Continued)

Risk Pool Membership (Continued)

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>

7. JOINT VENTURES

Malta Union Cemetery

The Malta Union Cemetery was established jointly, by the Village of Malta and Malta Township. A one mill tax levy has been jointly levied by the Village and the Township on behalf of Malta Union Cemetery. Malta Union Cemetery is managed by a three member Board of Cemetery Trustees appointed jointly by the Malta Village Council and Malta Township Board of Trustees. Any additional funding to the Cemetery, other than the tax revenues provided by the levy and other fees and donations received by the Cemetery, are the responsibility of the Township and the Village. The Township's contributions to the Cemetery were limited to levy proceeds during 2003 and 2002 from the jointly levied one-mill tax levy. The Ohio Revised Code also requires an apportionment of certain capital expenses, if any, between the Village and Township. The latest audited financial report for the Cemetery can be obtained by contacting the Malta Union Cemetery Clerk at, 320 North Best Road, Malta, Ohio 43758.

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Auditor of State Betty Montgomery

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

Malta Township
Morgan County
2817 Conk Palmer Road
Malta, Ohio 43758

To the Board of Trustees:

We have audited the accompanying financial statements of Malta Township, Morgan County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 20, 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 an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated October 20, 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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. A reportable condition is described in the accompanying Schedule of Findings as item 2003-002.

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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. 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 do not believe the reportable condition that is disclosed above is a material weakness. We also noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the Township's management in a separate letter dated October 20, 2004.

This report is 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

October 20, 2004

**MALTA TOWNSHIP
MORGAN 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 505.24(A)(3) provides that each township trustee in townships having a budget of more than one hundred thousand but not more than two hundred fifty thousand dollars, is entitled to compensation of twenty-eight dollars and fifty cents per day for not more than two hundred days. Ohio Rev. Code Section 505.24(B)(1)-(4) provides that for calendar years 1999 through 2002, the amounts paid increased by three percent for each year. This resulted in compensation of \$32.08 per day for calendar year 2002. Ohio Rev. Code Section 505.24(B)(5) provides that for calendar year 2003, the compensation increased by the lesser of three percent or the percent increase in the consumer price index over the twelve month period that ends on the thirtieth day of September of 2002 (1.3 percent according to Auditor of State Audit Bulletin 2003-07). This resulted in compensation of \$32.50 per day for calendar year 2003.

In 2003, Township Trustees, Brian Dew and Terry Spears, were paid at a rate of \$33.64 per day for two hundred days. This was based on a three percent increase instead of the 1.3 percent increase. The following represents the excess amounts paid in 2003 for the two Township Trustees:

	2003 Annual Salary per Ohio Rev. Code Section 505.24	2003 Annual Salary Paid	Difference
Brian Dew	\$6,500.00	\$6,727.56	(\$227.56)
Terry Spears	\$6,500.00	\$6,727.56	(\$227.56)

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 505.24, a finding for recovery is hereby issued for public monies illegally expended against Brian A. Dew, Township Trustee, and Western Surety Company, his bonding company, jointly and severally, in the amount of \$227.56, in favor of the Malta Township Gasoline Tax Fund. Brian A. Dew, Trustee paid \$227.56 to Malta Township's Gasoline Tax Fund on November 4, 2004.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 505.24, a finding for recovery is hereby issued for public monies illegally expended against Terry M. Spears, Township Trustee, and the Ohio Township Association Risk Management Authority, his bonding company, jointly and severally, in the amount of \$227.56, in favor of the Malta Township Gasoline Tax Fund. Terry M. Spears, Trustee paid \$227.56 to Malta Township's Gasoline Tax Fund on November 4, 2004.

FINDING NUMBER 2003-002

Reportable Condition

During 2003 and 2002, the Township Clerk did not properly post the budgeted receipts and appropriations to the accounting system.

Variances existed between the amounts on the certificates of estimated resources and the amounts posted to the accounting system as follows:

**MALTA TOWNSHIP
MORGAN 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)
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**FINDING NUMBER 2003-002
(Continued)**

Reportable Condition (Continued)

December 31, 2003:

Fund	Budgeted Receipts per the Ledgers	Budgeted Receipts per Final Certificate of Estimated Resources	Variance
General Fund	\$47,027	\$47,889	\$862
Gasoline Tax Fund	\$57,812	\$54,590	(\$3,222)
Road and Bridge Fund	\$21,337	\$18,375	(\$2,962)
Fire District Fund	\$16,217	\$16,150	(\$67)
Permissive Motor Vehicle License Tax Fund	\$8,155	\$6,069	(\$2,086)
FEMA Fund	\$10,498	\$23,013	\$12,515

December 31, 2002:

Fund	Budgeted Receipts per the Ledgers	Budgeted Receipts per Final Certificate of Estimated Resources	Variance
General Fund	\$45,300	\$43,350	(\$1,950)
Road and Bridge Fund	\$20,600	\$18,075	(\$2,525)
Fire District Fund	\$47,369	\$18,094	(\$29,275)
Permissive Motor Vehicle License Tax Fund	\$6,069	\$13,149	\$7,080

Variations also existed between the amounts on the annual appropriation resolutions and the amounts posted to the accounting system as follows:

December 31, 2003:

Fund	Appropriations per the Ledgers	Appropriations per the Annual Appropriation Resolution	Variance
General Fund	\$52,208	\$43,374	(\$8,834)
Gasoline Tax Fund	\$69,860	\$57,812	(12,048)
Fire District Fund	\$18,317	\$16,217	(\$2,100)
FEMA Fund	\$33,511	\$0	(\$33,511)

**MALTA TOWNSHIP
MORGAN 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)**

Reportable Condition (Continued)

December 31, 2002:

Fund	Appropriations per the Ledgers	Appropriations per the Annual Appropriation Resolution	Variance
Fire District Fund	\$28,530	\$16,264	(\$12,266)
Permissive Motor Vehicle License Tax Fund	\$14,623	\$7,543	(\$7,080)

Because the information entered into the accounting system was inaccurate, the Township management was unable to effectively monitor budget versus actual activity during the years 2003 and 2002. It was necessary to make audit adjustments to the 2003 and 2002 budgetary activity as reported in the notes to the financial statements in order to present the certified amount of estimated receipts and appropriation measures as passed by the Board of Trustees.

We recommend the Township Clerk record estimated receipts directly from the certificate of estimated resources and any amendments thereto. We also recommend the Township Clerk record the appropriations directly from the appropriation resolutions and appropriation amendments passed by the Board of Trustees. This would ensure useful comparisons of estimated to actual amounts to be made throughout the year and help indicate when an increased or decreased amended certificate should be obtained, as well as amendments to appropriations.

**MALTA TOWNSHIP
MORGAN 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>
2001-41058-001	Finding for Adjustment - Ohio Rev. Code Section 5705.10: failure to credit revenue to special fund	Yes	
2001-41058-002	Finding for Adjustment - Ohio Rev. Code Section 5705.10 and 135.21: interest earned not credited to proper funds	Yes	
2001-41058-003	Ohio Rev. Code Section 5705.39: appropriations exceeding total estimated revenue	No	Partially Corrected; this noncompliance citation is included in the current audit's management letter.
2001-41058-004	Ohio Rev. Code Section 5705.41(D): prior certification	No	Partially Corrected; this noncompliance citation is included in the current audit's management letter.
2001-41058-005	Budgeted receipts and expenditure amounts did not agree to source documents	No	Not Corrected; this reportable condition is included as Finding Number 2003-002.



**Auditor of State
Betty Montgomery**

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MALTA TOWNSHIP

MORGAN 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 23, 2004**