



Mary Taylor, CPA
Auditor of State

**MADISON TOWNSHIP
CLARK COUNTY**

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**MOOREFIELD TOWNSHIP
CLARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Madison Township
Clark County
P.O. Box V
228 West Columbus Road
South Charleston, Ohio 45368

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Township, Clark County, (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 processes its financial transactions with 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 our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis 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 respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Township, Clark County, as of December 31, 2009, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Gasoline Tax, Fire District, Special Levy EMT, EMT Special Levy, and Road and Bridge (2008 only) funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 15, 2010

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

- Net assets of governmental activities decreased \$14,627 or 6%.
- The Township's general receipts are primarily property taxes. These receipts represent respectively 39 percent of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Governmental activities - All of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Fire District Fund, Special Levy EMT, and EMT Special Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2009	2008
Assets:		
Cash and Cash Equivalents	\$227,393	\$242,020
Total Assets	<u>227,393</u>	<u>242,020</u>
Net Assets:		
Restricted for:		
Debt Service		1
Other Purposes	206,809	200,908
Unrestricted	20,584	41,111
Total Net Assets	<u>\$227,393</u>	<u>\$242,020</u>

As mentioned previously, net assets of governmental activities decreased \$14,627 or 6 percent during 2009.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2009	Governmental Activities 2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 72,923	\$ 46,871
Operating Grants and Contributions	165,564	138,175
Total Program Receipts	<u>238,487</u>	<u>185,046</u>
General Receipts:		
Property and Other Local Taxes	192,041	216,265
Intergovernmental Revenue	47,995	92,384
Sale of Fixed Assets	11,000	11,400
Interest	613	2,665
Miscellaneous	6,017	5,190
Total General Receipts	<u>257,666</u>	<u>327,904</u>
Total Receipts	<u>496,153</u>	<u>512,950</u>

(Continued)

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

**(Table 2)
Changes in Net Assets
(Continued)**

	Governmental Activities 2009	Governmental Activities 2008
Disbursements:		
General Government	79,528	97,368
Security of Persons and Property	178,408	238,890
Public Health Services	182,704	119,602
Capital Outlay	33,013	9,416
Principal Retirement	33,051	32,952
Interest and Fiscal Charges	4,076	4,906
Total Disbursements	510,780	503,134
Excess (Deficiency) Before Transfers	(14,627)	9,816
Transfers		
Increase (Decrease) in Net Assets	(14,627)	9,816
Net Assets, January 1, 2008	242,020	232,204
Net Assets, December 31, 2008	\$227,393	\$242,020

Program receipts represent 48 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 52 percent of the Township's total receipts, and of this amount, 75 percent are local taxes. State and Federal grants, entitlements, sale of fixed assets and interest make up the majority of the remaining balance of the Township's general receipts (23 percent). Other receipts are very insignificant and somewhat unpredictable revenue source.

Disbursements for General Government represent the overhead cost of running the Township and support services provided for the other Township activities. These include the costs of the Trustees and Fiscal Officer, as well as building and some road maintenance expenses.

Security of Persons & Property is Fire & EMS services, supplies and equipment. Public Works is mainly the services, supplies and materials needed to operate the Township.

Governmental Activities

If you look at the Statement of Activities page, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is Public Safety which accounts for \$178,408 and 35 percent of all governmental disbursements. Another significant cost is Public Works Services, which accounts for \$182,704 and 36 percent of all governmental disbursements. General Government also represents a significant cost, about 16 percent. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charge for the service and grants received by the Township that must be used to provide a specific service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. The "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

**(Table 3)
Governmental Activities**

	Total Cost Of Services 2009	Net Cost of Services 2009	Total Cost Of Services 2008	Net Cost of Services 2008
General Government	\$ 79,528	(\$ 17,724)	\$ 97,368	(\$ 58,921)
Security of Persons and Property	178,408	(105,485)	238,890	(192,019)
Public Health Services	182,704	(78,944)	119,602	(21,474)
Other				1,600
Capital Outlay	33,013	(33,013)	9,416	(9,416)
Principal Retirement	33,051	(33,051)	32,952	(32,952)
Interest and Fiscal Charges	4,076	(4,076)	4,906	(4,906)
Total Expenses	\$510,780	(\$272,293)	\$503,134	(\$318,088)

The dependence upon property general receipts is apparent as over 54 percent of government activities are supported through these general receipts.

Total governmental funds had receipts of \$496,153 and disbursements of \$510,780.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final Budgeted receipts remained consistent with original budgeted receipts. The Township received significantly more revenue than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Township currently keeps track of its capital assets and infrastructure on UAN.

Debt

At December 31, 2009, the Township's outstanding debt included \$19,000 in general obligation bonds issued for a fire truck, and \$23,079 in capital leases for building renovations. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Madison Township Fiscal Officer, 228 West Columbus Road, P.O. Box V, South Charleston, Ohio 45368.

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MADISON TOWNSHIP
CLARK COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER, 31, 2009

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$227,393
Total Assets	<u>227,393</u>
Net Assets:	
Restricted for:	
Other Purposes	206,809
Unrestricted	20,584
Total Net Assets	<u>\$227,393</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total
Governmental Activities:				
General Government	\$79,528		\$61,804	(\$17,724)
Public Safety	178,408	\$72,923		(105,485)
Public Works	182,704		103,760	(78,944)
Capital Outlay	33,013			(33,013)
Debt Service:				
Principal Retirement	33,051			(33,051)
Interest and Fiscal Charges	4,076			(4,076)
Total Governmental Activities	<u>\$510,780</u>	<u>\$72,923</u>	<u>\$165,564</u>	<u>(272,293)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				192,041
Grants and Entitlements not Restricted to Specific Programs				47,995
Sale of Capital Assets				11,000
Interest				613
Miscellaneous				6,017
Total General Receipts				<u>257,666</u>
Change in Net Assets				(14,627)
Net Assets Beginning of Year				<u>242,020</u>
Net Assets End of Year				<u>\$227,393</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Special Levy EMT</u>	<u>EMT Service Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$20,584	\$8,055	\$26,478	\$158,081	\$3,073	\$11,122	\$227,393
Total Assets	<u>20,584</u>	<u>8,055</u>	<u>26,478</u>	<u>158,081</u>	<u>3,073</u>	<u>11,122</u>	<u>227,393</u>
Fund Balances:							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	20,584						20,584
Special Revenue Funds		8,055	26,478	158,081	3,073	11,122	206,809
Total Fund Balances	<u>\$20,584</u>	<u>\$8,055</u>	<u>\$26,478</u>	<u>\$158,081</u>	<u>\$3,073</u>	<u>\$11,122</u>	<u>\$227,393</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Fire District</u>	<u>Special Levy EMT</u>	<u>EMT Service Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:							
Property and Other Local Taxes	\$13,491		\$26,468	\$36,264	\$69,996	\$45,822	\$192,041
Charges for Services			2,024	70,417	481		72,922
Intergovernmental	54,109	\$91,740	25,467	14,981	11,292	15,971	213,560
Interest	334	162				116	612
Other	433			5,585			6,018
Total Receipts	<u>68,367</u>	<u>91,902</u>	<u>53,959</u>	<u>127,247</u>	<u>81,769</u>	<u>61,909</u>	<u>485,153</u>
Disbursements:							
Current:							
General Government	79,346	182					79,528
Public Safety			30,261	42,860	105,288		178,409
Public Works	1,491	113,783				67,430	182,704
Capital Outlay			6,452	26,560			33,012
Debt Service:							
Principal Retirement	4,651		2,400	7,000		19,000	33,051
Interest and Fiscal Charges	903		354	957		1,862	4,076
Total Disbursements	<u>86,391</u>	<u>113,965</u>	<u>39,467</u>	<u>77,377</u>	<u>105,288</u>	<u>88,292</u>	<u>510,780</u>
Excess of Receipts Over (Under) Disbursements	<u>(18,024)</u>	<u>(22,063)</u>	<u>14,492</u>	<u>49,870</u>	<u>(23,519)</u>	<u>(26,383)</u>	<u>(25,627)</u>
Other Financing Sources (Uses):							
Sale of Capital Assets	11,000						11,000
Advances In					13,500	3	13,503
Advances Out	(13,503)						(13,503)
Total Other Financing Sources (Uses)	<u>(2,503)</u>				<u>13,500</u>	<u>3</u>	<u>11,000</u>
Net Change in Fund Balances	(20,527)	(22,063)	14,492	49,870	(10,019)	(26,380)	(14,627)
Fund Balances Beginning of Year	<u>41,111</u>	<u>30,118</u>	<u>11,986</u>	<u>108,211</u>	<u>13,092</u>	<u>37,502</u>	<u>242,020</u>
Fund Balances End of Year	<u>\$20,584</u>	<u>\$8,055</u>	<u>\$26,478</u>	<u>\$158,081</u>	<u>\$3,073</u>	<u>\$11,122</u>	<u>\$227,393</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$15,045	\$15,045	\$13,491	(\$1,554)
Intergovernmental	13,654	13,654	54,109	40,455
Interest	1,500	1,500	334	(1,166)
Other	6,752	6,752	433	(6,319)
Total receipts	<u>36,951</u>	<u>36,951</u>	<u>68,367</u>	<u>31,416</u>
Disbursements:				
Current:				
General Government	77,755	79,346	79,346	
Public Works	3,000	1,491	1,491	
Debt Service:				
Principal Retirement	4,651	4,651	4,651	
Interest and Fiscal Charges	704	903	903	
Total Disbursements	<u>86,110</u>	<u>86,391</u>	<u>86,391</u>	
Excess of Receipts Over (Under) Disbursements	<u>(49,159)</u>	<u>(49,440)</u>	<u>(18,024)</u>	31,416
Other Financing Sources (Uses):				
Sale of Capital Assets	11,000	11,000	11,000	
Advances Out		(13,503)	(13,503)	
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>(2,503)</u>	<u>(2,503)</u>	
Net Change in Fund Balance	(38,159)	(51,943)	(20,527)	31,416
Fund Balance Beginning of Year	<u>41,111</u>	<u>41,111</u>	<u>41,111</u>	
Fund Balance End of Year	<u>\$2,952</u>	<u>(\$10,832)</u>	<u>\$20,584</u>	<u>\$31,416</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$93,760	\$93,760	\$91,740	(\$2,020)
Interest	150	150	162	12
Total receipts	<u>93,910</u>	<u>93,910</u>	<u>91,902</u>	<u>(2,008)</u>
Disbursements:				
Current:				
General Government	850	182	182	
Public Works	111,159	113,783	113,783	
Total Disbursements	<u>112,009</u>	<u>113,965</u>	<u>113,965</u>	
Excess of Receipts Over (Under) Disbursements	<u>(18,099)</u>	<u>(20,055)</u>	<u>(22,063)</u>	<u>(2,008)</u>
Net Change in Fund Balance	(18,099)	(20,055)	(22,063)	(2,008)
Fund Balance Beginning of Year	<u>30,118</u>	<u>30,118</u>	<u>30,118</u>	
Fund Balance End of Year	<u>\$12,019</u>	<u>\$10,063</u>	<u>\$8,055</u>	<u>(\$2,008)</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$52,073	\$52,073	\$26,468	(\$25,605)
Charges for Services	1,000	1,000	2,024	1,024
Intergovernmental	15,844	15,844	25,467	9,623
Total receipts	<u>68,917</u>	<u>68,917</u>	<u>53,959</u>	<u>(14,958)</u>
Disbursements:				
Current:				
Public Safety	53,605	30,261	30,261	
Capital Outlay		6,452	6,452	
Debt Service:				
Principal Retirement	2,400	2,400	2,400	
Interest and Fiscal Charges	354	354	354	
Total Disbursements	<u>56,359</u>	<u>39,467</u>	<u>39,467</u>	
Excess of Receipts Over (Under) Disbursements	<u>12,558</u>	<u>29,450</u>	<u>14,492</u>	<u>(14,958)</u>
Net Change in Fund Balance	12,558	29,450	14,492	(14,958)
Fund Balance Beginning of Year	<u>11,986</u>	<u>11,986</u>	<u>11,986</u>	
Fund Balance End of Year	<u>\$24,544</u>	<u>\$41,436</u>	<u>\$26,478</u>	<u>(\$14,958)</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY EMT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$29,000	\$29,000	\$36,264	\$7,264
Charges for Services	64,376	64,376	70,417	6,041
Intergovernmental	9,500	9,500	14,981	5,481
Other			5,585	5,585
Total receipts	<u>102,876</u>	<u>102,876</u>	<u>127,247</u>	<u>24,371</u>
Disbursements:				
Current:				
Public Safety	55,930	42,860	42,860	
Capital Outlay	20,000	26,560	26,560	
Debt Service:				
Principal Retirement	7,000	7,000	7,000	
Interest and Fiscal Charges	1,058	957	957	
Total Disbursements	<u>83,988</u>	<u>77,377</u>	<u>77,377</u>	
Excess of Receipts Over (Under) Disbursements	<u>18,888</u>	<u>25,499</u>	<u>49,870</u>	<u>24,371</u>
Net Change in Fund Balance	18,888	25,499	49,870	24,371
Fund Balance Beginning of Year	<u>108,211</u>	<u>108,211</u>	<u>108,211</u>	
Fund Balance End of Year	<u><u>\$127,099</u></u>	<u><u>\$133,710</u></u>	<u><u>\$158,081</u></u>	<u><u>\$24,371</u></u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
EMT SERVICE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$90,153	\$90,153	\$69,996	(\$20,157)
Charges for Services			481	481
Intergovernmental	362	362	11,292	10,930
Total receipts	<u>90,515</u>	<u>90,515</u>	<u>81,769</u>	<u>(8,746)</u>
Disbursements:				
Current:				
Public Safety	105,700	105,288	105,288	
Total Disbursements	<u>105,700</u>	<u>105,288</u>	<u>105,288</u>	
Excess of Receipts Over (Under) Disbursements	<u>(15,185)</u>	<u>(14,773)</u>	<u>(23,519)</u>	<u>(8,746)</u>
Other Financing Sources (Uses):				
Advances In		13,500	13,500	
Total Other Financing Sources (Uses)		<u>13,500</u>	<u>13,500</u>	
Net Change in Fund Balance	(15,185)	(1,273)	(10,019)	(8,746)
Fund Balance Beginning of Year	<u>13,092</u>	<u>13,092</u>	<u>13,092</u>	
Fund Balance End of Year	<u>(\$2,093)</u>	<u>\$11,819</u>	<u>\$3,073</u>	<u>(\$8,746)</u>

See accompanying notes to the basic financial statements.

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**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

Madison Township, Clark County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township has a volunteer Fire and EMS department as well as a part-time paid EMS Department. Police protection is provided by the Village of South Charleston and the Clark County Sheriff's Department.

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

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balances, of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township have one category, governmental.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's only major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The other major funds are as follows:

Gasoline Tax- Receives state gasoline tax revenue for construction, maintaining, and repairing Township roads and bridges.

Fire District- Receives property tax revenue for fire protection services.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Levy EMT- Receives property tax revenue and monies from billing for services for the operations of EMS services.

EMT Service Levy- Receives property tax revenue for services for the operation of EMS services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All the Township's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sale of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$334.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township has net assets restricted for other purposes include resources restricted for other purposes.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Fire District Fund, Special Levy EMT, and EMT Service Levy Funds prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The Township had no outstanding year end encumbrances.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township had no un-deposited cash on hand.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of the Township's bank balance of \$263,337 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008 are levied after October 1, 2009, and are collected in 2010 with real property taxes.

2009 tangible property taxes are levied after October 1, 2008 on the value as of December 31, 2008. Collections are made in 2009. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2009 is 12.5 percent. This will be reduced to 6.10 percent for 2009, and zero for 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2009 was \$6.10 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$47,697,914
Tangible Personal Property	<u>2,305,390</u>
Total Assessed Values	<u><u>\$50,003,304</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

6. RISK MANAGEMENT

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTARMA is as follows:

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

6. RISK MANAGEMENT (Continued)

Legal Liability	\$2,000,000	Per Occurrence
Automobile Liability	2,000,000	Each Accident
Wrongful Acts	2,000,000	Per Occurrence
Property	1,372,595	Total Coverage
Machinery	380,991	Limit

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Township contribution rate for pension benefits for 2009 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$17,202, \$16,862, and \$15,760 respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$17,202 made by the Township and \$12,287 made by the plan members.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

8. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment healthcare.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through June 30, 2009, and 5.5 percent from July 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$8,601, \$8,431, and \$4,829 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

9. DEBT

The Township's long-term debt activity for the year ended December 31, 2009, was as follows:

	<u>Interest Rate</u>	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2009</u>	<u>Due Within One Year</u>
Governmental Activities:						
General Obligation Bonds - 2003 Fire Truck	4.90%	\$ 38,000		\$19,000	\$19,000	\$19,000
Key Bank Master Lease - 2005 Building Renovations	4.57%	37,650		14,571	23,079	15,218
Total		<u>\$76,650</u>	<u>\$0</u>	<u>\$33,571</u>	<u>\$42,079</u>	<u>\$34,218</u>

The Township issued Fire Truck Acquisition Bonds on October 27, 2003 in the amount of \$135,000, at an interest rate of 4.9%, for a term of seven years to purchase a new fire truck. Principal and interest payments are due annually to Security National Bank and Trust Company, Springfield, Ohio.

The Township entered into a Master Lease Agreement on January 10, 2005 in the amount of \$90,000, at an interest rate of 4.57%, for a term of seven years to renovate the township administrative building. Principal and interest payments are due semi-annually to Key Government Finance, Inc. Englewood, Colorado.

All debt is supported by the full faith and credit of the Township and is payable from un-voted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

<u>Year</u>	<u>Fire Truck Acquisition Bonds</u>			<u>Key Bank Master Lease</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$19,000	\$931	\$19,931	\$15,218	\$ 848	\$16,066
2011				7,861	172	8,033
Totals	<u>\$19,000</u>	<u>\$931</u>	<u>\$19,931</u>	<u>\$23,079</u>	<u>\$1,020</u>	<u>\$24,099</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2007, were an overall debt margin of \$5,227,001 and an un-voted debt margin of \$2,715,836.

10. SUBSEQUENT EVENTS

Madison Township Fire Department purchased a new EMS Squad from Medtech Ambulance Corporation for the cost of \$142,990.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2008 are as follows:

- Net assets of governmental activities increased \$9,816 or 4%.
- The Township's general receipts are primarily property taxes. These receipts represent respectively 42 percent of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Governmental activities - All of the Township's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Fire District Fund, Road and Bridge Fund, Special Levy EMT, and EMT Special Levy Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis:

**(Table 1)
Net Assets**

	Governmental Activities	
	2008	2007
Assets:		
Cash and Cash Equivalents	\$242,020	\$232,204
Total Assets	<u>242,020</u>	<u>232,204</u>
Net Assets:		
Restricted for:		
Debt Service	1	
Other Purposes	200,908	168,553
Unrestricted	41,111	63,467
Total Net Assets	<u>\$242,020</u>	<u>\$232,020</u>

As mentioned previously, net assets of governmental activities increased by \$9,834 or 4 percent during 2008.

Table 2 reflects the changes in net assets on a cash basis in 2008 and 2007 for governmental activities.

**(Table 2)
Changes in Net Assets**

	Governmental Activities 2008	Governmental Activities 2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 46,871	\$ 64,950
Operating Grants and Contributions	181,263	145,378
Total Program Receipts	<u>228,134</u>	<u>210,328</u>
General Receipts:		
Property and Other Local Taxes	216,265	216,477
Intergovernmental Revenue	49,296	17,226
Grants and Entitlements Not Restricted to Specific Programs		
Sale of Fixed Assets	11,400	11,000
Interest	2,665	7,026
Miscellaneous	5,190	3,410
Total General Receipts	<u>284,816</u>	<u>255,139</u>
Total Receipts	<u>512,950</u>	<u>465,467</u>

(Continued)

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

**(Table 2)
Changes in Net Assets
(Continued)**

	Governmental Activities 2008	Governmental Activities 2007
Disbursements:		
General Government	97,368	77,908
Security of Persons and Property	238,890	190,948
Public Health Services	119,602	104,122
Capital Outlay	9,416	40,289
Principal Retirement	32,952	49,606
Interest and Fiscal Charges	4,906	7,151
Total Disbursements	<u>503,134</u>	<u>470,024</u>
Excess (Deficiency) Before Transfers	9,816	(4,557)
Transfers		
Increase (Decrease) in Net Assets	<u>9,816</u>	<u>(4,557)</u>
Net Assets, January 1	<u>232,204</u>	<u>236,577</u>
Net Assets, December 31	<u><u>\$242,020</u></u>	<u><u>\$232,020</u></u>

Program receipts represent 36 percent of the total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 64 percent of the Township's total receipts, and of this amount, 66 percent are local taxes. State and Federal grants, entitlements, sale of fixed assets and interest make up the majority of the remaining balance of the Township's general receipts (32 percent). Other receipts are very insignificant and somewhat unpredictable revenue source.

Disbursements for General Government represent the overhead cost of running the Township and support services provided for the other Township activities. These include the costs of the Trustees and Fiscal Officer, as well as building and some road maintenance expenses.

Security of Persons & Property is Fire & EMS services, supplies and equipment. Public Works is mainly the services, supplies and materials needed to operate the Township.

Governmental Activities

If you look at the Statement of Activities page, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is Public Safety which accounts for \$238,890 and 47 percent of all governmental disbursements. Another significant cost is Public Works Services, which accounts for \$119,602 and 24 percent of all governmental disbursements. General Government also represents a significant cost, about 19 percent. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charge for the service and grants received by the Township that must be used to provide a specific service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. The "net cost" amount represents the cost paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**MADISON TOWNSHIP
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED
(Continued)**

**(Table 3)
Township Activities**

	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2007	Net Cost of Services 2007
General Government	\$ 97,368	(\$ 58,922)	\$ 77,908	(\$ 75,804)
Security of Persons and Property	238,890	(148,931)	190,948	(94,390)
Public Health Services	119,602	(21,473)	104,122	2,710
Other		1,600		5,000
Capital Outlay	9,416	(9,416)	40,289	(40,289)
Principal Retirement	32,952	(32,952)	49,606	(49,606)
Interest and Fiscal Charges	4,906	(4,906)	7,151	(7,151)
Total Expenses	\$503,134	(\$275,000)	\$470,024	(\$259,530)

The dependence upon general receipts is apparent as over 54 percent of government activities are supported through these general receipts. Total governmental funds had receipts of \$501,550 and disbursements of \$503,133.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final Budget receipts remained consistent with original budget receipts. The Township received significantly more revenue than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Township currently keeps track of its capital assets and infrastructure on UAN.

Debt

At December 31, 2008, the Township's outstanding debt included \$38,000 in general obligation bonds issued for a fire truck, and \$37,650 in capital leases for building renovations. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Madison Township Fiscal Officer, 228 West Columbus Road, P.O. Box V, South Charleston, Ohio 45368.

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**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008**

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$242,020
Total Assets	<u>242,020</u>
Net Assets:	
Restricted for:	
Debt Service	1
Other Purposes	200,908
Unrestricted	41,111
Total Net Assets	<u>\$242,020</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>
Governmental Activities:				
General Government	\$97,368		\$38,446	(\$58,922)
Public Safety	238,890	\$46,871	43,088	(148,931)
Public Works	119,602		98,129	(21,473)
Other			1,600	1,600
Capital Outlay	9,416			(9,416)
Debt Service:				
Principal Retirement	32,952			(32,952)
Interest and Fiscal Charges	4,906			(4,906)
Total Governmental Activities	<u>\$503,134</u>	<u>\$46,871</u>	<u>\$181,263</u>	<u>(275,000)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				216,265
Grants and Entitlements not Restricted to Specific Programs				49,296
Sale of Capital Assets				11,400
Interest				2,665
Miscellaneous				5,190
Total General Receipts				<u>284,816</u>
Change in Net Assets				9,816
Net Assets Beginning of Year				<u>232,204</u>
Net Assets End of Year				<u>\$242,020</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road & Bridge</u>	<u>Fire District</u>	<u>Special Levy EMT</u>	<u>EMT Service Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:								
Equity in Pooled Cash and Cash Equivalents	\$41,111	\$30,118	\$26,273	\$11,986	\$108,211	\$13,092	\$11,229	\$242,020
Total Assets	<u>41,111</u>	<u>30,118</u>	<u>26,273</u>	<u>11,986</u>	<u>108,211</u>	<u>13,092</u>	<u>11,229</u>	<u>242,020</u>
Fund Balances:								
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	41,111							41,111
Special Revenue Funds		30,118	26,273	11,986	108,211	13,092	11,228	200,908
Debt Service Fund							1	1
Total Fund Balances	<u>\$41,111</u>	<u>\$30,118</u>	<u>\$26,273</u>	<u>\$11,986</u>	<u>\$108,211</u>	<u>\$13,092</u>	<u>\$11,229</u>	<u>\$242,020</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road & Bridge</u>	<u>Fire District</u>	<u>Special Levy EMT</u>	<u>EMT Service Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:								
Property and Other Local Taxes	\$15,080		\$26,475	\$33,710	\$29,494	\$89,714	\$21,793	\$216,266
Charges for Services				1,136	45,735			46,871
Intergovernmental	53,342	\$84,613	3,166	17,787	9,904	5,142	56,604	230,558
Interest	2,458	168					39	2,665
Other	406			2,484	2,300			5,190
Total Receipts	<u>71,286</u>	<u>84,781</u>	<u>29,641</u>	<u>55,117</u>	<u>87,433</u>	<u>94,856</u>	<u>78,436</u>	<u>501,550</u>
Disbursements:								
Current:								
General Government	96,569	799						97,368
Public Safety				49,161	43,461	103,180	43,088	238,890
Public Works	2,718	90,241	17,793				8,850	119,602
Capital Outlay					9,416			9,416
Debt Service:								
Principal Retirement	4,651			4,651	4,651		19,000	32,953
Interest and Fiscal Charges	704			704	704		2,792	4,904
Total Disbursements	<u>104,642</u>	<u>91,040</u>	<u>17,793</u>	<u>54,516</u>	<u>58,232</u>	<u>103,180</u>	<u>73,730</u>	<u>503,133</u>
Excess of Receipts Over (Under) Disbursements	<u>(33,356)</u>	<u>(6,259)</u>	<u>11,848</u>	<u>601</u>	<u>29,201</u>	<u>(8,324)</u>	<u>4,706</u>	<u>(1,583)</u>
Other Financing Sources (Uses):								
Sale of Capital Assets	11,000			399				11,399
Transfers In				2,578				2,578
Transfers Out					(2,578)			(2,578)
Total Other Financing Sources (Uses)	<u>11,000</u>			<u>2,977</u>	<u>(2,578)</u>			<u>11,399</u>
Net Change in Fund Balances	(22,356)	(6,259)	11,848	3,578	26,623	(8,324)	4,706	9,816
Fund Balances Beginning of Year	63,467	36,377	14,425	8,408	81,588	21,416	6,523	232,204
Fund Balances End of Year	<u>\$41,111</u>	<u>\$30,118</u>	<u>\$26,273</u>	<u>\$11,986</u>	<u>\$108,211</u>	<u>\$13,092</u>	<u>\$11,229</u>	<u>\$242,020</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$15,920	\$15,080	\$15,080	
Intergovernmental	23,756	74,971	53,342	(21,629)
Interest	6,300	2,458	2,458	
Other	500	406	406	
Total receipts	<u>46,476</u>	<u>92,915</u>	<u>71,286</u>	<u>(21,629)</u>
Disbursements:				
Current:				
General Government	100,230	96,569	96,569	
Public Works	1,000	2,718	2,718	
Capital Outlay	1,000			
Debt Service:				
Principal Retirement	4,651	4,651	4,651	
Interest and Fiscal Charges	705	705	704	1
Total Disbursements	<u>107,586</u>	<u>104,643</u>	<u>104,642</u>	<u>1</u>
Excess of Receipts Over (Under) Disbursements	<u>(61,110)</u>	<u>(11,728)</u>	<u>(33,356)</u>	<u>(21,628)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	11,000	11,000	11,000	
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	
Net Change in Fund Balance	(50,110)	(728)	(22,356)	(21,628)
Fund Balance Beginning of Year	<u>63,467</u>	<u>63,467</u>	<u>63,467</u>	
Fund Balance End of Year	<u><u>\$13,357</u></u>	<u><u>\$62,739</u></u>	<u><u>\$41,111</u></u>	<u><u>(\$21,628)</u></u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$86,379	\$84,604	\$84,613	\$9
Interest	175	168	168	
Total receipts	<u>86,554</u>	<u>84,772</u>	<u>84,781</u>	<u>9</u>
Disbursements:				
Current:				
General Government		799	799	
Public Works	123,926	90,241	90,241	
Total Disbursements	<u>123,926</u>	<u>91,040</u>	<u>91,040</u>	
Excess of Receipts Over (Under) Disbursements	<u>(37,372)</u>	<u>(6,268)</u>	<u>(6,259)</u>	<u>9</u>
Net Change in Fund Balance	(37,372)	(6,268)	(6,259)	9
Fund Balance Beginning of Year	<u>36,377</u>	<u>36,377</u>	<u>36,377</u>	
Fund Balance End of Year	<u>(\$995)</u>	<u>\$30,109</u>	<u>\$30,118</u>	<u>\$9</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD & BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$26,673	\$26,475	\$26,475	
Intergovernmental	866	3,166	3,166	
Other	684			
Total Receipts	<u>28,223</u>	<u>29,641</u>	<u>29,641</u>	
Disbursements:				
Current:				
Public Safety	23,350	17,793	17,793	
Total Disbursements	<u>23,350</u>	<u>17,793</u>	<u>17,793</u>	
Excess of Receipts Over (Under) Disbursements	<u>4,873</u>	<u>11,848</u>	<u>11,848</u>	
Net Change in Fund Balance	4,873	11,848	11,848	
Fund Balance Beginning of Year	<u>14,425</u>	<u>14,425</u>	<u>14,425</u>	
Fund Balance End of Year	<u><u>\$19,298</u></u>	<u><u>\$26,273</u></u>	<u><u>\$26,273</u></u>	

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$57,246	\$33,710	\$33,710	
Charges for Services			1,136	1,136
Intergovernmental			17,787	17,787
Other	3,517	34,500	2,484	(32,016)
Total receipts	<u>60,763</u>	<u>68,210</u>	<u>55,117</u>	<u>(13,093)</u>
Disbursements:				
Current:				
Public Safety	40,949	49,161	49,161	
Debt Service:				
Principal Retirement	4,651	4,651	4,651	
Interest and Fiscal Charges	705	704	704	
Total Disbursements	<u>46,305</u>	<u>54,516</u>	<u>54,516</u>	
Excess of Receipts Over (Under) Disbursements	<u>14,458</u>	<u>13,694</u>	<u>601</u>	<u>(13,093)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets		399	399	
Transfers In		2,578	2,578	
Transfers Out				
Total Other Financing Sources (Uses)		<u>2,977</u>	<u>2,977</u>	
Net Change in Fund Balance	14,458	16,671	3,578	(13,093)
Fund Balance Beginning of Year	<u>8,408</u>	<u>8,408</u>	<u>8,408</u>	
Fund Balance End of Year	<u>\$22,866</u>	<u>\$25,079</u>	<u>\$11,986</u>	<u>(\$13,093)</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY EMT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property and Other Local Taxes	\$32,154	\$29,494	\$29,494	
Charges for Services	44,167	55,452	45,735	(\$9,717)
Intergovernmental			9,904	9,904
Other		2,300	2,300	
Total receipts	<u>76,321</u>	<u>87,246</u>	<u>87,433</u>	<u>187</u>
Disbursements:				
Current:				
Public Safety	47,045	43,461	43,461	
Capital Outlay	28,000	9,416	9,416	
Debt Service:				
Principal Retirement	4,651	4,651	4,651	
Interest and Fiscal Charges	705	704	704	
Total Disbursements	<u>80,401</u>	<u>58,232</u>	<u>58,232</u>	
Excess of Receipts Over (Under) Disbursements	<u>(4,080)</u>	<u>29,014</u>	<u>29,201</u>	<u>187</u>
Other Financing Sources (Uses):				
Transfers Out		(2,578)	(2,578)	
Total Other Financing Sources (Uses)		<u>(2,578)</u>	<u>(2,578)</u>	
Net Change in Fund Balance	(4,080)	26,436	26,623	187
Fund Balance Beginning of Year	<u>81,588</u>	<u>81,588</u>	<u>81,588</u>	
Fund Balance End of Year	<u>\$77,508</u>	<u>\$108,024</u>	<u>\$108,211</u>	<u>\$187</u>

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
EMT SERVICE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$95,916	\$89,714	\$89,714	
Intergovernmental	620	5,142	5,142	
Total receipts	<u>96,536</u>	<u>94,856</u>	<u>94,856</u>	
Disbursements:				
Current:				
Public Safety	103,832	103,180	103,180	
Total Disbursements	<u>103,832</u>	<u>103,180</u>	<u>103,180</u>	
Excess of Receipts Over (Under) Disbursements	<u>(7,296)</u>	<u>(8,324)</u>	<u>(8,324)</u>	
Net Change in Fund Balance	(7,296)	(8,324)	(8,324)	
Fund Balance Beginning of Year	<u>21,416</u>	<u>21,416</u>	<u>21,416</u>	
Fund Balance End of Year	<u><u>\$14,120</u></u>	<u><u>\$13,092</u></u>	<u><u>\$13,092</u></u>	

See accompanying notes to the basic financial statements.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. REPORTING ENTITY

The Madison Township, Clark County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township has a volunteer Fire and EMS department as well as a part-time paid EMS Department. Police protection is provided by the Village of South Charleston and the Clark County Sheriff's Department.

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

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net assets presents the cash balances, of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

2. Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township have one category, governmental.

1. Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's only major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The other major funds are as follows:

Gasoline Tax- Receives state gasoline tax revenue for construction, maintaining, and repairing Township roads and bridges.

Fire District- Receives property tax revenue for fire protection services.

Special Levy EMT- Receives property tax revenue and monies from billing for services for the operations of EMS services.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Road and Bridge – Receives revenue for the maintenance of Township roads and bridges.

EMT Service Levy- Receives property tax revenue for services for the operation of EMS services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All the Township's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sale of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 was \$2,458.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township has net assets restricted for other purposes include resources restricted for other purposes.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Special Levy EMT, and EMT Service Levy Funds prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The Township had no outstanding year end encumbrances.

4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the Township had no un-deposited cash on hand.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of the Township's bank balance of \$258,747 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

5. PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2007 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007 are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007 on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 12.5 percent. This will be reduced to 6.10 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008 was \$6.10 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$47,978,082
Tangible Personal Property	<u>2,372,230</u>
Total Assessed Values	<u><u>\$50,350,312</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

6. RISK MANAGEMENT

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 townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by OTARMA is as follows:

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

6. RISK MANAGEMENT (Continued)

Legal Liability	\$2,000,000	Per Occurrence
Automobile Liability	2,000,000	Each Accident
Wrongful Acts	2,000,000	Per Occurrence
Property	1,372,595	Total Coverage
Machinery	380,991	Limit

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Township contribution rate for pension benefits for 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$16,862, \$15,760, and \$14,701 respectively. The full amount has been contributed for 2008, 2007 and 2006. Contributions to the member-directed plan for 2008 were \$16,862 made by the Township and \$12,044 made by the plan members.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)**

8. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment healthcare.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare was 7 percent of covered payroll from January 1 through June 30, 2008, and 7 percent from July 1 through December 31, 2008.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$8,431, \$6,258, and \$4,829 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**MADISON TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

9. DEBT

The Township's long-term debt activity for the year ended December 31, 2009, was as follows:

	<u>Interest Rate</u>	<u>Balance 12/31/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2008</u>	<u>Due Within One Year</u>
Governmental Activities:						
General Obligation Bonds - 2003 Fire Truck	4.90%	\$ 57,000		\$19,000	\$38,000	\$19,000
Key Bank Master Lease - 2005 Building Renovations	4.57%	51,602		13,952	37,650	14,571
Total		<u>\$108,602</u>	<u>\$0</u>	<u>\$32,952</u>	<u>\$75,650</u>	<u>\$33,571</u>

The Township issued Fire Truck Acquisition Bonds on October 27, 2003 in the amount of \$135,000, at an interest rate of 4.9%, for a term of seven years to purchase a new fire truck. Principal and interest payments are due annually to Security National Bank and Trust Company, Springfield, Ohio.

The Township entered into a Master Lease Agreement on January 10, 2005 in the amount of \$90,000, at an interest rate of 4.57%, for a term of seven years to renovate the township administrative building. Principal and interest payments are due semi-annually to Key Government Finance, Inc. Englewood, Colorado.

All debt is supported by the full faith and credit of the Township and is payable from un-voted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The following is a summary of the Township's future annual debt service requirements:

<u>Year</u>	<u>Fire Truck Acquisition Bonds</u>			<u>Key Bank Master Lease</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$19,000	\$1,862	\$20,862	\$14,571	\$1,495	\$16,066
2010	19,000	931	19,931	15,218	848	16,066
2011				7,861	172	8,033
Totals	<u>\$38,000</u>	<u>\$2,793</u>	<u>\$40,793</u>	<u>\$37,650</u>	<u>\$2,515</u>	<u>\$40,165</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2008, were an overall debt margin of \$5,205,826 and an un-voted debt margin of \$2,688,309.

10. SUBSEQUENT EVENT

Madison Township Fire Department purchased a new EMS Squad from Medtech Ambulance Corporation for the cost of \$142,990.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Madison Township
Clark County
P.O. Box V
228 West Columbus Road
South Charleston, Ohio 45368

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Township, Clark County, (the Township) as of and for the year ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 15, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 15, 2010.

We intend this report solely for the information and use of management, Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

July 15, 2010

**MADISON TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Weakness

Budgetary Amendments and Certificate of Estimate Resources:

The Township did not consistently update its accounting records throughout the year to reflect approved estimated resources. This limited the reliability of budgetary reports generated by the system. Up to date and accurate budgetary information is required to make informed budgetary decisions.

The Budget to Actual Statements contained the following misstatements, as a result of the accounting system not being updated:

2008 General Fund's original estimated receipts were understated by \$9,848
2008 Gasoline fund's original estimated receipts were overstated by \$4,607
2008 Gasoline fund's final budget receipts were understated by \$6,394
2008 Road & Bridge fund's original estimated receipts were understated by \$4,330
2008 Road & Bridge fund's final budget receipts were overstated by \$5,748
2008 Fire District fund's original estimated receipts were understated by \$23,109
2008 Fire District fund's final budget receipts were overstated by \$6,543
2008 EMT fund's original estimated receipts were overstated by \$17,255
2008 EMT fund's final budget receipts were understated by \$6,145
2008 EMT service levy fund's original estimate receipts were understated by \$1,400
2008 EMT service levy fund's final budget receipts were overstated by \$3,170
2009 General fund's original estimated receipts were overstated by \$1,763
2009 General fund's final estimated receipts were overstated by \$31,431
2009 General fund's final budget disbursements were understated by \$3,178
2009 Gasoline fund's original estimated receipts were understated by \$9,760
2009 Gasoline fund's final estimated receipts were understated by \$2,007
2009 Fire District fund's original estimated receipts were understated by \$19,417
2009 Fire District fund's final estimated receipts were understated by \$14,957
2009 Fire District fund's final budget disbursements were understated by \$23,007
2009 EMT fund's original estimated receipts were understated by \$19,376
2009 EMT fund's final estimated receipts were overstated by \$24,370
2009 EMT final budget disbursements were overstated by \$21,676
2009 EMT service levy fund's original estimated receipts were overstated by \$3,085
2009 EMT service levy fund's final estimated receipts were understated by \$8,746
2009 EMT service levy fund's final budget disbursements were understated by \$932

These errors were material to the accompanying financial statements, and the statements have been adjusted accordingly.

These statements can be a very useful part of management's decision making, can serve as a tool to analyze the Township's operations and fiscal performance, and reflect activity for potential users of the basic financial statements.

To assist the Township officials in making timely financial decisions and to accurately analyze the effectiveness of its operations, the Township should update the accounting records to reflect estimated resources approved by the County Budget Commission and appropriations approved the Trustees.

**FINDING NUMBER 2009-001
(Continued)**

Official's Response:

Madison Township recently moved to GASB 34 Accounting Standards, the Fiscal Officer believed that if budgeted figures matched actual at the end of the year than she had followed the standard for budgeting revenues. The final revenue status report and amended certificate was approved in the first meeting in January and should have been approved in December. The Fiscal Officer now understands this standard and will make sure beginning and ending revenues are properly budgeted working more closely with the Clark County Auditor's Officer and asking for amended certificates several times throughout the year and before the yearend date of December 31st. The Board of Madison Township Trustees and Fiscal Officer understand the importance of budgeting as a decision making tool and the Fiscal Officer did review the FY09 budget with the trustees within that fiscal year.

FINDING NUMBER 2009-002

Material Weakness

Paragraph 50 of the Governmental Accounting Standards Board (GASB) statement number 34 states that *Program-specific grants and contributions (operating and capital)* include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes—to purchase, construct, or renovate capital assets associated with a specific program. These should be reported separately from grants and contributions that may be used *either* for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. For example, a state may provide an operating grant to a county sheriff's department for a drug-awareness-and-enforcement program or a capital grant to finance construction of a new jail. Multipurpose grants (those that provide financing for more than one program) should be reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as general revenues.

The following exception was noted during test of program receipts:

\$43,088 of 2008 Operating Grant revenue in the Fire District Federal Grant Fund was erroneously classified as General Receipts.

The above error was material to the accompanying financial statements and the statements were adjusted accordingly. The Township should develop and implement policies and procedures to verify that revenue is allocated to correct line items in accordance with GASB statement number 34. Failure to do so could result in more material misstatements on the Township's financial statements.

Official's Response:

The revenue in this finding came from a Federal Grant that was awarded to Madison Township Fire to purchase air packs. The Fiscal Officer receipted this revenue to the Fire Department and the funds were used to purchase the air packs. The issue here was the type of revenue was miss-classified as General instead of Operating. Even though this occurred the money was placed in the proper fund and spent to purchase air packs which was the grants appropriate purpose.

**MADISON TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-01	Material Weakness, Personal Property Reimbursement	Yes	
2007-2	Material Weakness, Budgetary Amendments and Certificate of Estimated Resources	No	Repeated as finding 2009-001
2007-3	Noncompliance- purchase orders dated after invoice date	Yes	



Mary Taylor, CPA
Auditor of State

MADISON TOWNSHIP

CLARK 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 31, 2010**