

**MADISON TOWNSHIP
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023-2022

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Township Trustees
Madison Township
817 Expressview Drive
Mansfield, OH 44905

We have reviewed the *Independent Auditor's Report* of Madison Township, Richland County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Madison Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 02, 2024

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**MADISON TOWNSHIP
RICHLAND COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2023-2022**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Madison Township
Richland County
817 Expressview Drive
Mansfield, Ohio 44905

To the Township Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Madison Township, Richland County, Ohio (the Township) which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Madison Township, Richland County as of December 31, 2023 and 2022, or changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards general accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor Responsibilities for the Audit of Financial Statements* section of our report. We are required to be independent of Madison Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by Madison Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles general accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As described in Note 14 to the financial statements for 2022, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Madison Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining. On a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, on our consideration of Madison 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. The purpose of that report is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 28, 2024

**MADISON TOWNSHIP
RICHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 72,149	\$ 2,483,080	\$ 2,555,229
Charges for Services	-	443,171	443,171
Licenses, Permits, and Fees	6,160	-	6,160
Intergovernmental	77,783	678,194	755,977
Special Assessments	-	28,502	28,502
Earnings on Investments	15,943	-	15,943
Miscellaneous	2,813	45,379	48,192
Total Cash Receipts	<u>174,848</u>	<u>3,678,326</u>	<u>3,853,174</u>
Cash Disbursements:			
Current:			
General Government	128,637	17,508	146,145
Public Safety	-	2,353,930	2,353,930
Public Works	-	914,085	914,085
Capital Outlay	-	250,834	250,834
Debt Service:			
Principal Retirement	-	137,500	137,500
Interest and Fiscal Charges	-	22,849	22,849
Total Cash Disbursements	<u>128,637</u>	<u>3,696,706</u>	<u>3,825,343</u>
Excess of Receipts Over/(Under) Disbursements	46,211	(18,380)	27,831
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	-	68,141	68,141
Other Debt Proceeds	-	14,261	14,261
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>82,402</u>	<u>82,402</u>
Net Change in Fund Cash Balance	46,211	64,022	110,233
Fund Cash Balances, January 1, restated	<u>205,158</u>	<u>3,929,770</u>	<u>4,134,928</u>
Fund Cash Balances, December 31	<u>\$ 251,369</u>	<u>\$ 3,993,792</u>	<u>\$ 4,245,161</u>

See notes to financial statements.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Madison Township, Richland County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Richland County Sheriff's office to provide police protection to the residents of the Township.

The Township participates in a public entity risk pool and is associated with a related organization. Note 6 and Note 11 to the financial statements provides additional information for these entities.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

B. Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Fire District Fund – This fund receives property tax monies to pay for the purpose of providing fire and emergency medical services to the Township.

Emergency Medical Services Fund – This fund is used to account for and report committed charges for services for the purpose of providing emergency medical services to the Township.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) permit.

D. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2023 budgetary activity appears in Note 3.

E. Deposits and Investments

The Township's accounting basis includes investment as assets. This basis does not record disbursement for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money Market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. The Township values repurchase agreements (sweep accounts) at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

The Township records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

H. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced, first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2023 is as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 119,800	\$ 174,848	\$ 55,048
Special Revenue	3,241,397	3,760,728	519,331
Total	\$ 3,361,197	\$ 3,935,576	\$ 574,379

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 154,028	\$ 129,177	\$ 24,851
Special Revenue	4,060,888	3,753,695	307,193
Total	\$ 4,214,916	\$ 3,882,872	\$ 332,044

4. DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposits and investment accounts are as follows:

	2023
<i>Cash Management Pool</i>	
Demand deposits	\$ 4,243,656
Total Deposits	4,243,656
STAR Ohio	1,505
Total Investments	1,505
Total Carrying Amount of Deposits and Investments held in Pool	\$ 4,245,161

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. DEPOSITS AND INVESTMENTS (Continued)

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

6. RISK MANAGEMENT

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022 (latest information available):

	<u>2022</u>
Assets	\$21,662,291
Liabilities	<u>(18,158,351)</u>
Retained Earnings	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

7. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Some of the Township's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F and amount equal to 24.00% of full-time fire fighter's wages. The Township has paid all contributions required through December 31, 2023.

Social Security

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

8. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

9. DEBT

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
2012 OPWC Loan CP36P	\$ 42,596	0.00%
2017 OPWC Loan CP41S	35,551	0.00%
2019 OPWC Loan CP25V	41,748	0.00%
2020 OPWC Loan CP31W	99,000	0.00%
2021 OPWC Loan CP44Z	50,000	0.00%
2019 Fire Equipment Bonds	245,700	3.88%
2021 Fire Tanker Financed Purchase	285,564	3.08%
Total	\$ 800,159	

During 2012, 2017, 2019, 2020 and 2021 the Township obtained interest free loans from the Ohio Public Works Commission (OPWC) for road resurfacing and culvert repair. This is paid from the Gasoline Tax Fund and the Road & Bridge Fund.

During 2019, the Township issued general obligation bonds in the amount of \$381,000 purchased by the United State Department of Agriculture (USDA) to finance the purchase of a new fire truck. This is repaid from the Special Fire Levy Fund.

The Township has entered into financed purchase agreements for vehicles where ownership of the underlying assets transfer to the Township by the end of the contract. The Township disbursed \$71,814 to pay these costs for the year ended December 31, 2022.

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

Year Ending December 31:	OPWC Loans	Financed	Equip. Bonds
2024	\$ 16,069	\$ 40,825	\$ 46,621
2025	16,070	40,826	46,683
2026	16,070	40,825	46,687
2027	16,070	40,826	46,734
2028	16,070	40,825	46,718
2029-2033	80,349	122,477	46,640
2034-2038	64,812	-	-
2039-2043	33,303	-	-
2044-2048	10,082	-	-
Total	\$ 268,895	\$ 326,604	\$ 280,083

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

10. PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

11. RELATED ORGANIZATION

The Madison Board of Trustees are not responsible for appointing individuals to serve on the Board of Trustees of the Madison Water District. The Madison Water District hires and fires its own staff and does not rely on the Township to finance deficits. The Township is not financially accountable for the Madison Water District nor is the Madison Water District financially dependent on the Township. The Madison water District serves as its own budgeting, taxing and debt issuance authority. The Madison Water District did not receive any funding from the Township during the audit period.

12. FISCAL ANALYSIS

On May 17, 2012, the Township was declared in Fiscal Caution by the Auditor of State. The Township's management has prepared and provided an acceptable plan to the Auditor of State. The Township is implementing changes and is on schedule addressing remaining items.

13. FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of those amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Nonspendable:			
Unclaimed Funds	\$ 2,392	\$ -	\$ 2,392
Outstanding Encumbrances	540	56,989	57,529
Total	<u>\$ 2,932</u>	<u>\$ 56,989</u>	<u>\$ 59,921</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

14. RESTATEMENT OF FUND BALANCES

Fund balance in the Special Revenue Fund have been restated for the year beginning January 1, 2023 as voided checks added back:

	Special Revenue
Fund Balance at December 31, 2022	<u>\$ 3,929,570</u>
Adjustments	<u>200</u>
Fund Balance at January 1, 2023	<u><u>\$ 3,929,770</u></u>

**MADISON TOWNSHIP
RICHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 71,638	\$ 2,465,102	\$ 2,536,740
Charges for Services	-	478,543	478,543
Licenses, Permits, and Fees	5,640	-	5,640
Intergovernmental	82,518	1,558,641	1,641,159
Special Assessments	-	11,689	11,689
Earnings on Investments	1,886	77	1,963
Miscellaneous	1,545	29,000	30,545
Total Cash Receipts	<u>163,227</u>	<u>4,543,052</u>	<u>4,706,279</u>
Cash Disbursements:			
Current:			
General Government	109,303	13,334	122,637
Public Safety	-	2,291,608	2,291,608
Public Works	-	1,470,211	1,470,211
Capital Outlay	-	140,006	140,006
Debt Service:			
Principal Retirement	-	133,074	133,074
Interest and Fiscal Charges	-	27,208	27,208
Total Cash Disbursements	<u>109,303</u>	<u>4,075,441</u>	<u>4,184,744</u>
Excess of Receipts Over/(Under) Disbursements	53,924	467,611	521,535
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	-	78,617	78,617
Other Debt Proceeds	-	35,739	35,739
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>114,356</u>	<u>114,356</u>
Net Change in Fund Cash Balance	53,924	581,967	635,891
Fund Cash Balances, January 1	<u>151,234</u>	<u>3,347,603</u>	<u>3,498,837</u>
Fund Cash Balances, December 31	<u>\$ 205,158</u>	<u>\$ 3,929,570</u>	<u>\$ 4,134,728</u>

See notes to financial statements.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Madison Township, Richland County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Richland County Sheriff's office to provide police protection to the residents of the Township.

The Township participates in a public entity risk pool and is associated with a related organization. Note 6 and Note 11 to the financial statements provides additional information for these entities.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

B. Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Fire District Fund – This fund receives property tax monies to pay for the purpose of providing fire and emergency medical services to the Township.

Emergency Medical Services Fund – This fund is used to account for and report committed charges for services for the purpose of providing emergency medical services to the Township.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(C) permit.

D. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control and appropriations may not exceed estimated resources. The Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2022 budgetary activity appears in Note 3.

E. Deposits and Investments

The Township's accounting basis includes investment as assets. This basis does not record disbursement for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money Market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. The Township values repurchase agreements (sweep accounts) at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

The Township records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

H. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced, first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2022 is as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 115,800	\$ 163,227	\$ 47,427
Special Revenue	3,750,567	4,657,408	906,841
Total	\$ 3,866,367	\$ 4,820,635	\$ 954,268

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 130,266	\$ 109,772	\$ 20,494
Special Revenue	4,788,916	4,110,515	678,401
Total	\$ 4,919,182	\$ 4,220,287	\$ 698,895

4. DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposits and investment accounts are as follows:

	2022
<i>Cash Management Pool</i>	
Demand deposits	\$ 4,133,300
Total Deposits	4,133,300
STAR Ohio	1,428
Total Investments	1,428
Total Carrying Amount of Deposits and Investments held in Pool	\$ 4,134,728

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

4. DEPOSITS AND INVESTMENTS (Continued)

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

6. RISK MANAGEMENT

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022:

	<u>2022</u>
Assets	\$21,662,291
Liabilities	<u>(18,158,351)</u>
Retained Earnings	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

7. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Some of the Township's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan benefits, which include postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F and amount equal to 24.00% of full-time fire fighter's wages. The Township has paid all contributions required through December 31, 2022.

Social Security

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

8. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022, OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plan currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

9. DEBT

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2012 OPWC Loan CP36P	\$ 45,638	0.00%
2017 OPWC Loan CP41S	37,097	0.00%
2019 OPWC Loan CP25V	43,563	0.00%
2020 OPWC Loan CP31W	104,500	0.00%
2021 OPWC Loan CP44Z	35,739	0.00%
2018 Squad Car Loan	28,897	3.68%
2019 Fire Equipment Bonds	281,500	3.88%
2019 Dump Truck Financed Purchase	29,840	3.51%
2021 Fire Tanker Financed Purchase	316,623	3.08%
Total	<u>\$ 923,397</u>	

During 2012, 2017, 2019, 2020 and 2021 the Township obtained interest free loans from the Ohio Public Works Commission (OPWC) for road resurfacing and culvert repair. This is paid from the Gasoline Tax Fund and the Road & Bridge Fund. For the 2022 loan, \$35,739 was received; however, the loan was not finalized.

In 2018, the Township entered into a loan in the amount of \$134,744 for the purpose of purchasing a new squad car. This is repaid from the Special Fire Levy Fund

During 2019, the Township issued general obligation bonds in the amount of \$381,000 purchased by the United State Department of Agriculture (USDA) to finance the purchase of a new fire truck. This is repaid from the Special Fire Levy Fund.

The Township has entered into financed purchase agreements for vehicles where ownership of the underlying assets transfer to the Township by the end of the contract. The Township disbursed \$71,814 to pay these costs for the year ended December 31, 2022.

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

<u>Year Ending December 31:</u>	<u>OPWC Loans</u>	<u>Financed</u>	<u>Squad Car</u>	<u>Equip. Bonds</u>
2023	\$ 11,903	\$ 71,814	\$ 29,923	\$ 46,708
2024	11,903	40,825	-	46,621
2025	11,903	40,826	-	46,683
2026	11,903	40,825	-	46,687
2027	11,903	40,826	-	46,734
2028-2032	59,517	163,302	-	93,358
2033-2037	59,521	-	-	-
2038-2042	38,804	-	-	-
2043-2047	13,441	-	-	-
Total	<u>\$ 230,798</u>	<u>\$ 398,418</u>	<u>\$ 29,846</u>	<u>\$ 326,791</u>

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

11. RELATED ORGANIZATION

The Madison Board of Trustees are not responsible for appointing individuals to serve on the Board of Trustees of the Madison Water District. The Madison Water District hires and fires its own staff and does not rely on the Township to finance deficits. The Township is not financially accountable for the Madison Water District nor is the Madison Water District financially dependent on the Township. The Madison water District serves as its own budgeting, taxing and debt issuance authority. The Madison Water District did not receive any funding from the Township during the audit period.

12. FISCAL ANALYSIS

On May 17, 2012, the Township was declared in Fiscal Caution by the Auditor of State. The Township's management has prepared and provided an acceptable plan to the Auditor of State. The Township is implementing changes and is on schedule addressing remaining items.

13. FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of those amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Nonspendable:			
Unclaimed Funds	\$ 2,392	\$ -	\$ 2,392
Outstanding Encumbrances	469	35,074	35,543
Total	<u>\$ 2,861</u>	<u>\$ 35,074</u>	<u>\$ 37,935</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**MADISON TOWNSHIP
RICHLAND COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

14. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency continues. During 2022, the Township did receive COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

The Township received \$570,330 from the American Rescue Relief Fund.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Madison Township
Richland County
817 Expressview Drive
Mansfield, Ohio 44905

To the Township Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Madison Township, Richland County (the Township) and have issued our report thereon dated May 28, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 28, 2024

**MADISON TOWNSHIP
RICHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2023**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2021-001	Material Weakness Financial Reporting Reclassification and adjustments	Yes	Finding No Longer Valid

OHIO AUDITOR OF STATE KEITH FABER



MADISON TOWNSHIP

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/16/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov