



**MADISON TOWNSHIP
VINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MADISON TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Madison Township
Vinton County
P.O. Box 159
Zaleski, Ohio 45698

To the Board of Township Trustees:

We have audited the accompanying financial statements of Madison Township, Vinton County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Madison Township, Vinton County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 11, 2000

**MADISON TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$1,484	\$4,194	\$5,678
Intergovernmental Receipts	11,749	50,197	61,946
Interest	886	1,772	2,658
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	14,119	56,163	70,282
Cash Disbursements:			
Current:			
General Government	21,415		21,415
Public Safety	54		54
Public Works		57,423	57,423
Health	1,500	1,404	2,904
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	22,969	58,827	81,796
Excess of Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	(8,850)	(2,664)	(11,514)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	62,741	42,331	105,072
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$53,891	\$39,667	\$93,558

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

**MADISON TOWNSHIP
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCE
 NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$53</u>
Total Operating Cash Receipts	<u>53</u>
Operating Income/(Loss)	<u>53</u>
Fund Cash Balance, January 1	<u>1,158</u>
Fund Cash Balance, December 31	<u><u>\$1,211</u></u>

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

**MADISON TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$1,418	\$4,000	\$5,418
Intergovernmental Receipts	37,647	50,300	87,947
Interest	862	1,508	2,370
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	39,927	55,808	95,735
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	28,116		28,116
Public Safety	76		76
Public Works		54,743	54,743
Health	1,500	3,213	4,713
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	29,692	57,956	87,648
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts Over/(Under) Cash Disbursements	10,235	(2,148)	8,087
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, January 1	52,506	44,479	96,985
	<hr/>	<hr/>	<hr/>
Fund Cash Balance, December 31	<u>\$62,741</u>	<u>\$42,331</u>	<u>\$105,072</u>

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

**MADISON TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Nonexpendable Trust
Operating Cash Receipts:	
Interest	\$57
Total Operating Cash Receipts	57
Operating Income/(Loss)	57
Fund Cash Balance, January 1	1,101
Fund Cash Balance, December 31	\$1,158

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

**MADISON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Madison Township, Vinton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including maintenance of roads and fire protection.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Cash accounts are valued at cost. The Township had no investments.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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

Gasoline Tax Fund - This fund received gasoline tax money to construct, maintain and repair Township roads.

**MADISON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand Deposits	<u>\$94,769</u>	<u>\$106,230</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

MADISON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 5,645	\$ 14,119	\$ 8,474
Special Revenue	60,250	56,163	(4,087)
Nonexpendable Trust	70	53	(17)
Total	\$ 65,965	\$ 70,335	\$ 4,370

1999 Budgeted vs. Actual Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 68,127	\$ 22,969	\$ 45,158
Special Revenue	109,498	58,827	50,671
Nonexpendable Trust	214	0	214
Total	\$ 177,839	\$ 81,796	\$ 96,043

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 5,381	\$ 39,927	\$ 34,546
Special Revenue	54,682	55,808	1,126
Nonexpendable Trust	0	57	57
Total	\$ 60,063	\$ 95,792	\$ 35,729

1998 Budgeted vs. Actual Disbursements			
Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 57,888	\$ 29,692	\$ 28,196
Special Revenue	99,161	57,956	41,205
Nonexpendable Trust	101	0	101
Total	\$ 157,150	\$ 87,648	\$ 69,502

MADISON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.



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

Madison Township
Vinton County
P.O. Box 159
Zaleski, Ohio 45698

To the Board of Township Trustees:

We have audited the accompanying financial statements of Madison Township, Vinton County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Madison Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 11, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 11, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

Jim Petro
Auditor of State

May 11, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MADISON TOWNSHIP

VINTON 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
JULY 6, 2000**