



**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**MADISON TOWNSHIP  
FRANKLIN COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Madison Township  
Franklin County  
4567 Madison Lane  
Groveport, Ohio 43125

To the Board of Trustees:

We have audited the accompanying financial statements of Madison Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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 and reserves for encumbrances of the Township as of December 31, 2000 and December 31, 1999, 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 March 12, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board 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.

**JIM PETRO**  
Auditor of State

March 12, 2001

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**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$195,259	\$5,065,087	\$125,319	\$5,385,665
Intergovernmental	620,196	583,261	0	1,203,457
Special Assessments		79,124	0	79,124
Licenses, Permits, and Fees	39,799	0	0	39,799
Fines and Forfeitures	47,599	1,730	0	49,329
Earnings on Investments	77,395	4,007	0	81,402
Other Revenue	23,015	88,675	0	111,690
	<u>1,003,263</u>	<u>5,821,884</u>	<u>125,319</u>	<u>6,950,466</u>
<b>Total Cash Receipts</b>				
	<u>1,003,263</u>	<u>5,821,884</u>	<u>125,319</u>	<u>6,950,466</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	449,231	0	0	449,231
Public Safety	1,677	5,619,781	0	5,621,458
Public Works	353,601	346,195	0	699,796
Health	39,293	0	0	39,293
Human Services	115,598	0	0	115,598
Debt Service:				
Redemption of Principal	0	0	110,000	110,000
Interest and Fiscal Charges	0	0	15,319	15,319
Capital Outlay	143,146	327,705	0	470,851
	<u>1,102,546</u>	<u>6,293,681</u>	<u>125,319</u>	<u>7,521,546</u>
<b>Total Cash Disbursements</b>				
	<u>1,102,546</u>	<u>6,293,681</u>	<u>125,319</u>	<u>7,521,546</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(99,283)</u>	<u>(471,797)</u>	<u>0</u>	<u>(571,080)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(99,283)</u>	<u>(471,797)</u>	<u>0</u>	<u>(571,080)</u>
<b>Fund Cash Balances, January 1</b>	<u>549,926</u>	<u>978,350</u>	<u>0</u>	<u>1,528,276</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$450,643</b></u>	<u><b>\$506,553</b></u>	<u><b>\$0</b></u>	<u><b>\$957,196</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$11,240</b></u>	<u><b>\$85,495</b></u>	<u><b>\$0</b></u>	<u><b>\$96,735</b></u>

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

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$163,394	\$5,045,659	\$131,231	\$5,340,284
Intergovernmental	636,515	531,542	0	1,168,057
Special Assessments		83,568	0	83,568
Licenses, Permits, and Fees	35,026	0	0	35,026
Fines and Forfeitures	48,368	2,055	0	50,423
Earnings on Investments	63,733	1,971	0	65,704
Other Revenue	23,307	45,958	0	69,265
	<u>970,343</u>	<u>5,710,753</u>	<u>131,231</u>	<u>6,812,327</u>
<b>Total Cash Receipts</b>				
	<u>970,343</u>	<u>5,710,753</u>	<u>131,231</u>	<u>6,812,327</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	444,458	0	0	444,458
Public Safety	682	5,646,780	0	5,647,462
Public Works	342,746	314,448	0	657,194
Health	34,033	0	0	34,033
Human Services	91,994	0	0	91,994
Debt Service:				
Redemption of Principal	0	0	110,000	110,000
Interest and Fiscal Charges	0	0	21,231	21,231
Capital Outlay	167,247	414,205	0	581,452
	<u>1,081,160</u>	<u>6,375,433</u>	<u>131,231</u>	<u>7,587,824</u>
<b>Total Cash Disbursements</b>				
	<u>1,081,160</u>	<u>6,375,433</u>	<u>131,231</u>	<u>7,587,824</u>
<b>Total Receipts Over/(Under) Disbursements</b>	(110,817)	(664,680)	0	(775,497)
Fund Cash Balances, January 1	660,743	1,643,030	0	2,303,773
<b>Fund Cash Balances, December 31</b>	<u><b>\$549,926</b></u>	<u><b>\$978,350</b></u>	<u><b>\$0</b></u>	<u><b>\$1,528,276</b></u>
Reserve for Encumbrances, December 31	<u>\$43,299</u>	<u>\$160,731</u>	<u>\$0</u>	<u>\$204,030</u>

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



**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Madison Township, Franklin County, Ohio, (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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

Repurchase agreements are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**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 Funds**

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

Fire District Fund - This fund receives money from voted outside millage for fire services and related functions.

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Police District Fund - This fund receives money from voted outside millage for police services and related functions.

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. 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 Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. 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 also approve estimated resources.

**3. Encumbrances**

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

A summary of 2000 and 1999 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(295,784)	(895,704)
Total deposits	<u>(295,784)</u>	<u>(895,704)</u>
Repurchase Agreement	471,826	1,823,980
STAR Ohio	781,154	600,000
Total investments	<u>1,252,980</u>	<u>2,423,980</u>
Total deposits and investments	<u><u>\$957,196</u></u>	<u><u>\$1,528,276</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,046,535	\$1,003,263	(\$43,272)
Special Revenue	6,016,950	5,821,884	(195,066)
Debt Service	125,319	125,319	0
Total	<u><u>\$7,188,804</u></u>	<u><u>\$6,950,466</u></u>	<u><u>(\$238,338)</u></u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,439,651	\$1,113,786	\$325,865
Special Revenue	6,997,993	6,379,176	618,817
Debt Service	125,319	125,319	0
Total	<u><u>\$8,562,963</u></u>	<u><u>\$7,618,281</u></u>	<u><u>\$944,682</u></u>

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$970,343	\$970,343	\$0
Special Revenue	5,710,753	5,710,753	0
Debt Service	131,231	131,231	0
Total	\$6,812,327	\$6,812,327	\$0

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,483,063	\$1,124,459	\$358,604
Special Revenue	7,493,572	6,536,164	957,408
Debt Service	131,231	131,231	0
Total	\$9,107,866	\$7,791,854	\$1,316,012

**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.

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. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$230,000	5.375%
Lease/Purchase - Fire Station	390,797	5.98%
Lease/Purchase - Community Center	361,695	5.89%
Lease/Purchase - Equipment	63,260	5.72%
Total	\$1,045,752	

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT (Continued)**

The Township issued general obligation bonds for the purpose of constructing the police and road buildings in 1994.

The Township entered into a lease/purchase agreement with Koch Financial Corporation for the construction of the Community Center on February 12, 1996.

The Township entered into a lease/purchase agreement with LaSalle National Bank for the construction of Fire Station 182 on March 15, 1996.

The Township entered into a lease/purchase agreement with American Financial Network, Inc. for the purchase of equipment for the Road Department on February 25, 1998.

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

Year ending December 31:	General Obligation Bonds	Lease/Purchase Fire Station	Lease/Purchase Community Center	Lease/Purchase Equipment
2001	\$124,272	\$108,474	\$81,744	\$23,544
2002	118,091	111,569	83,944	23,544
2003	0	114,664	86,142	23,544
2004	0	117,759	88,340	0
2005	0	0	90,539	0
Subsequent	0	0	0	0
Total	<u>\$242,363</u>	<u>\$452,466</u>	<u>\$430,709</u>	<u>\$70,632</u>

**6. RETIREMENT SYSTEMS**

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees and law enforcement officers belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 9% of their wages to the PFDPF. The Township picked up the remaining 1% of the employee portion and contributed an amount equal to 24% of their wages. For 2000, members of PFDPF contributed 8% of their wages to the PFDPF. The Township picked up the remaining 2% of the employee portion and contributed an amount equal to 24% of their wages. For law enforcement officers, the Township picked up the 9% employee portion and contributed an amount equal to 16.7% of their gross salaries to PERS. For road department and administrative employees, the Township picked up the 8.5% employee portion and contributed an amount equal to 13.55% of their gross salaries in 1999 and 10.84% for 2000. Elected officials contributed 8.5% of their gross salaries to PERS. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

**MADISON TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**7. RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**9. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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

Madison Township  
Franklin County  
4567 Madison Lane  
Groveport, Ohio 43125

To the Board of Trustees:

We have audited the accompanying financial statements of Madison Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 12, 2001. 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 the 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 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 March 12, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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.

Madison Township  
Franklin County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 12, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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**MADISON TOWNSHIP**

**FRANKLIN 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  
APRIL 17, 2001**