

**MADISON TOWNSHIP**

**AUDIT REPORT**

**JANUARY 1, 2009 - DECEMBER 31, 2010**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**





# Dave Yost • Auditor of State

Board of Trustees  
Madison Township  
4300 Julian Road  
Lancaster, Ohio 43130

We have reviewed the *Independent Auditors' Report* of Madison Township, Fairfield County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Madison Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

April 25, 2011

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**MADISON TOWNSHIP  
FAIRFIELD COUNTY  
JANUARY 1, 2009 - DECEMBER 31, 2010**

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**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Madison Township  
Fairfield County  
4300 Julian Road  
Lancaster, Ohio 43130

We have audited the accompanying financial statements of the Madison Township, Fairfield County, as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Madison Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Madison Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2010 and 2009, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2010 and 2009. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Madison Township's combined funds as of December 31, 2010 and 2009, or its changes in financial position or cash flows, where applicable for the years then ended..

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Madison Township, Fairfield County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also require the Township to include Management's Discussion and Analysis for the year ended December 31, 2010 and 2009. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 14, 2011, on our consideration of the Madison Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
March 14, 2011

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 14,986	\$ 92,576	\$ 107,562
License, Permits, and Fees	28,787	-	28,787
Intergovernmental	26,728	95,720	122,448
Earnings on Investments	49	8	57
Miscellaneous	25,914	-	25,914
<b>Total Cash Receipts</b>	<u>96,464</u>	<u>188,304</u>	<u>284,768</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	54,754	-	54,754
Public Safety	-	26,462	26,462
Health	29,733	-	29,733
Public Works	14,600	153,370	167,970
Other	5,814	-	5,814
Capital Outlay	-	-	-
Debt Service:			
Redemption of Principal	-	12,134	12,134
Interest and Other Fiscal Charges	-	2,987	2,987
<b>Total Cash Disbursements</b>	<u>104,901</u>	<u>194,953</u>	<u>299,854</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	(8,437)	(6,649)	(15,086)
<b>Fund Cash Balances, January 1</b>	<u>11,555</u>	<u>96,466</u>	<u>108,021</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 3,118</u>	<u>\$ 89,817</u>	<u>\$ 92,935</u>

See notes to financial statements.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$ 17,968	\$ 87,696	\$ 105,664
License, Permits, and Fees	23,762	-	23,762
Intergovernmental	22,540	94,782	117,322
Earnings on Investments	38	70	108
Miscellaneous	17,452	591	18,043
<b>Total Cash Receipts</b>	<u>81,760</u>	<u>183,139</u>	<u>264,899</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	48,591	-	48,591
Public Safety	-	30,767	30,767
Health	6,983	-	6,983
Public Works	4,147	138,411	142,558
Other	21,068	-	21,068
Capital Outlay	1,500	1,278	2,778
Debt Service:			
Redemption of Principal	-	11,484	11,484
Interest and Other Fiscal Charges	-	3,637	3,637
<b>Total Cash Disbursements</b>	<u>82,289</u>	<u>185,577</u>	<u>267,866</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	(529)	(2,438)	(2,967)
<b>Fund Cash Balances, January 1</b>	<u>12,084</u>	<u>98,904</u>	<u>110,988</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 11,555</u>	<u>\$ 96,466</u>	<u>\$ 108,021</u>

See notes to financial statements.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Township of Madison, Fairfield 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 and a publicly-elected fiscal officer. The Township provides road and bridge maintenance and fire protection. The Township contracts with Amanda Township to provide fire protection services.

The Township participates in the Ohio Township Association Risk Management Authority public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

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**

All cash is maintained in an interest bearing checking and savings account.

**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:

**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.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**D. Fund Accounting (Continued)**

**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:

**Gasoline Tax Fund** – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Road and Bridge Fund** – This fund receives property tax for the construction, repair and maintenance of Township roads.

**Fire District Fund** – This fund receives property taxes to provide fire protection to Township residents.

**E. 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 Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation. 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 also approve estimated resources.

**Encumbrances**

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

A summary of 2010 and 2009 budgetary activity appears in Note 4.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

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

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH**

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

	2010	2009
Demand deposits	\$ 92,935	\$ 108,021

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND BALANCE**

Last audit period the Township reported fund financial statements by fund type using the cash basis of accounting presenting each major fund in a separate column with non-major funds aggregated and presented in a single column. This audit period the Township has implemented the cash basis of accounting. The fund financial statements now present each fund type in a separate column under the regulatory basis of accounting as prescribed by the State Auditor's Office. There was no restatement of fund equity due to this change.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 81,825	\$ 96,464	\$ 14,639
Special Revenue	185,300	188,304	3,004
Total	\$ 267,125	\$ 284,768	\$ 17,643

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 115,639	\$ 104,901	\$ 10,738
Special Revenue	201,310	194,953	6,357
Total	\$ 316,949	\$ 299,854	\$ 17,095

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**4. BUDGETARY ACTIVITY (Continued)**

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 71,509	\$ 81,760	\$ 10,251
Special Revenue	175,235	183,139	7,904
Total	\$ 246,744	\$ 264,899	\$ 18,155

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 85,923	\$ 82,289	\$ 3,634
Special Revenue	218,418	185,577	32,841
Total	\$ 304,341	\$ 267,866	\$ 36,475

Contrary to 5705.36, the Township had instances where a reduced certificate of estimated resources should have been obtained.

Contrary to 5705.41(D), the Township had instances where invoices were dated prior to certification.

Contrary to 5705.39, the Township's General Fund had appropriations greater than estimated resources in 2010 and 2009.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, 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.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**6. DEBT**

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest rate
DCFS USA LLC-Lease	\$ 40,675	5.58%
Total	\$ 40,675	

The Township entered into a lease for the use of a truck/snow plow in 2007. It is a seven year lease with a annual payment of \$15,121 which includes principal and interest. The total cost of the lease is \$89,250.

All other debt was paid off in 2010.

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

Year ending December 31:	Lease
2011	\$ 15,121
2012	15,121
2013	15,121
Total	\$ 45,363

**7. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2010 and 2009, PERS members contributed 10.0% of their wages, respectively. The Township contributed an amount equal to 14.00% of participant’s gross salaries for 2010 and 2009, respectively. The Township has paid all contributions required through December 31, 2010.

**8. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. OTARMA provides property and casualty coverage for its members. American Risk Pool Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**8. RISK MANAGEMENT (Continued)**

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments and covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	2009	2008
Assets	\$ 38,982,088	\$ 40,737,740
Liabilities	(12,880,766)	(12,981,818)
Retained Earnings	\$ 26,101,322	\$ 27,755,922

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$9,566.

Based on discussion with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA	
2008	\$5,538
2009	4,675
2010	4,783

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Settlement amounts did not exceed insurance coverage for the past three years.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**9. RELATED PARTY TRANSACTIONS**

The Township paid \$1,200 in 2010 and 2009 to the Lamp Family Farms for mowing and lawn care services for the four township cemeteries and a township lot. The Township Fiscal Officer, Barbara Lamp, is part owner of the Lamp family farms.

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
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  
Fairfield County  
4300 Julian Road  
Lancaster, Ohio 43130

We have audited the financial statements of Madison Township as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated March 14, 2011, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness..

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or 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 timely corrected. We consider Finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

**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 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 or other matters that are required to be reported under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Madison Township in a separate letter dated March 14, 2011.

Madison Township's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Madison Township response and, accordingly, we express no opinion on it.

This report is intended for the information of the Township's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
March 14, 2011

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010**

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

**FINDING NUMBER 2010-01**

**Material Weakness – Posting Amended Budgets**

The Township should have procedures in place to prevent or detect material misstatements of financial information.

Estimated receipt amounts recorded in the Township’s accounting records did not agree with estimated receipts approved by the Board of Trustees and County Budget Commission as follows:

<u>Year</u>	<u>Fund</u>	<u>Approved Amount</u>	<u>Amount In Accounting System</u>	<u>Variance</u>
2010	General Fund	\$ 81,825	\$ 84,552	\$ 2,727
	MVL Tax Fund	7,100	6,500	(600)
	Gasoline Tax Fund	88,900	70,400	(18,500)
	Permissive Tax Fund	15,800	13,600	(2,200)
	Cemetery Fund	-	10	10
2009	General Fund	71,509	59,840	(11,669)
	Gasoline Tax Fund	79,425	63,937	(15,488)

Failure to update budgets approved by the Trustees in the accounting system could result in inaccurate financial information from which Township operating decisions are made.

We recommend the Fiscal Officer accurately and timely post all estimated receipts approved by the Trustees and County Budget Commission in the accounting system.

The financial statements have been adjusted to reflect the approved estimated receipts.

Client Response: We agree with finding and will try to improve in the future.

**MADISON TOWNSHIP  
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2010**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2008-01	Posting Amended Budgets	No	Not Corrected: Included in report as Fiinding 2010-01



# Dave Yost • Auditor of State

**MADISON TOWNSHIP**

**FAIRFIELD 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  
MAY 5, 2011**