

**MAD RIVER TOWNSHIP
CLARK COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**



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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Mad River Township
1151 Blue Jay Drive
Enon, OH 45323

We have reviewed the *Independent Auditor's Report* of the Mad River Township, Clark County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2021 through December 31, 2022. 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 Mad River 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

September 28, 2023

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**MAD RIVER TOWNSHIP
CLARK COUNTY
DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

Mad River Township
Clark County
260 East Main Street
PO Box 34
Enon, Ohio 45323

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Mad River Township, Clark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund types as of and for the years ended December 31, 2022, and December 31, 2021, and the related notes to the financial statements.

Summary of Opinions

Opinion Unit	Type of Opinion
General Fund	Adverse/Unmodified
Special Revenue Funds	Adverse/Unmodified
Debt Service Funds	Adverse/Unmodified
Capital Project Funds	Adverse/Unmodified
Permanent Funds	Adverse

Unmodified Opinions 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 the General, Special Revenue, and Capital Projects Funds, as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements of the Township, 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 Permanent Fund

In our opinion, because of the significance of the matter described in the *Basis for Adverse Opinion on the Permanent Fund* paragraph, the financial statements referred to above do not present fairly the cash balances, receipts and disbursements of the Permanent Fund of the Township, as of December 31, 2022, and 2021, 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 the Township, as of December 31, 2022, and December 31, 2021, or the changes in financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally 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's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 the Permanent Fund

The Township reported the Cemetery Bequest Fund activity and fund cash balance of \$4,913 and \$4,858 at December 31, 2022 and 2021, respectively, in the Permanent Fund, which represents 100 percent of the activity and fund cash balance of the Permanent Fund, without maintaining the trust agreements to support this fund classification. We were unable to obtain sufficient appropriate audit evidence to support the reporting of the activity and fund cash balance as Permanent Fund Cemetery Bequest Fund. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 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 generally 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the 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 the 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 Responsibilities 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.

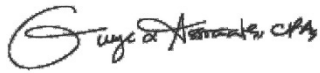
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 July 31, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 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.

A handwritten signature in black ink, appearing to read "Guy A. Henricks, CPA". The signature is written in a cursive style with a large initial "G".

Columbus, Ohio
July 31, 2023

MAD RIVER TOWNSHIP, CLARK COUNTY
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$ 115,775	\$ 1,217,384	\$ 161,734	\$ -	\$ 1,494,893
Charges for Services	-	426,839	-	-	426,839
Licenses, Permits and Fees	61,303	96,482	-	-	157,785
Fines and Forfeitures	1,968	-	-	-	1,968
Intergovernmental	71,378	1,061,736	24,365	-	1,157,479
Special Assessments	-	24,930	-	-	24,930
Earnings on Investments	22,698	6,552	-	55	29,305
Miscellaneous	6,662	95,233	-	-	101,895
	<u>279,784</u>	<u>2,929,156</u>	<u>186,099</u>	<u>55</u>	<u>3,395,094</u>
<i>Total Cash Receipts</i>					
Cash Disbursements					
Current:					
General Government	250,564	-	-	-	250,564
Public Safety	-	1,168,288	-	-	1,168,288
Public Works	-	347,793	-	-	347,793
Health	-	111,963	-	-	111,963
Conservation-Recreation	2,562	-	-	-	2,562
Capital Outlay	12,412	549,309	43,886	-	605,607
Debt Service:					
Principal Retirement	-	56,502	62,734	-	119,236
Interest and Fiscal Charges	-	3,820	3,257	-	7,077
<i>Total Cash Disbursements</i>	<u>265,538</u>	<u>2,237,675</u>	<u>109,877</u>	<u>-</u>	<u>2,613,090</u>
 <i>Excess of Receipts Over (Under) Disbursements</i>	 <u>14,246</u>	 <u>691,481</u>	 <u>76,222</u>	 <u>55</u>	 <u>782,004</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	63,700	23,000	-	-	86,700
Transfers In	-	65,000	-	-	65,000
Transfers Out	(65,000)	-	-	-	(65,000)
Advances In	30,000	-	-	-	30,000
Advances Out	-	(30,000)	-	-	(30,000)
 Total Other Financing Receipts (Disbursements)	 <u>28,700</u>	 <u>58,000</u>	 <u>-</u>	 <u>-</u>	 <u>86,700</u>
 Net Change in Fund Cash Balances	 42,946	 749,481	 76,222	 55	 868,704
 Fund Cash Balances, January 1	 <u>1,492,417</u>	 <u>2,792,381</u>	 <u>315,435</u>	 <u>4,858</u>	 <u>4,605,091</u>
 Fund Cash Balances, December 31	 <u>\$ 1,535,363</u>	 <u>\$ 3,541,862</u>	 <u>\$ 391,657</u>	 <u>\$ 4,913</u>	 <u>\$ 5,473,795</u>

See the accompanying notes to the Financial Statements

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Mad River Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Clark County Sheriff to provide police protection.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a joint venture with Green Township for the operation of the Husted Fire and Emergency Medical Services Department. Note 10 to the financial statement provides additional information for this joint venture. The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statement provides additional information for this risk pool. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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:

Enon Emergency Medical Services Fund - This fund receives property tax money, donations, and charges for services to pay for the operation and maintenance of the Enon Emergency Medical Services Department.

Capital Project Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other assets. The Township had the following significant Capital Project Fund:

Fire and EMS Equipment and Building Fund - This fund receives property tax money, for providing and maintaining fire apparatus, ambulance equipment and buildings.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequest Fund This fund is based upon donor-imposed restrictions.

The Township has a Cemetery Bequest Fund; however, a trust agreement was not available to support the permanent fund classification.

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 Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when 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 Section 117-2-03 (C) permit.

Budgetary Process

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

Appropriation - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of 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 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 reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

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 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$234,824	\$343,484	\$108,660
Special Revenue	2,812,283	3,017,156	204,873
Capital Projects	186,055	186,099	44
Total	\$3,233,161	\$3,546,739	\$313,578

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,330,280	\$330,538	\$999,742
Special Revenue	3,979,051	2,237,675	1,741,376
Capital Projects	371,005	109,877	261,128
Total	\$5,680,336	\$2,678,090	\$3,002,246

Note 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 deposit and investment accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	\$1,524,403
Other time deposits (savings and NOW accounts)	3,949,392
Total deposits	5,473,795

Deposits

Deposits are insured by the Federal Deposit 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.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Note 6 – Risk Management

Risk Pool Membership

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 (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31 (latest information available):

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Fifty-six (56) Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Social Security

Eleven (11) 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.

Note 8 – Postemployment Benefits

OPERS 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.

Effective January 1, 2022, OPERS discontinued the group plans 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.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt

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

	Principal	Interest Rate
General Obligation Bonds	\$51,853	2.82%
First Security Lease	40,152	4.85%
Total	\$92,005	

Bonds

The Township issued general obligation bonds in May 2018 to finance the purchase of a new fire truck for the Enon Fire Department. The bonds will be repaid with annual principal and interest payments, beginning in May 2018 and ending in May 2023.

Leases

The Township leases a garage building. The Township disbursed \$29,715 to pay lease costs for the year ending December 31, 2022.

Amortization

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

Year Ending December 31:	Finance Purchases	General Obligation Bonds
2023	\$29,714	\$55,367
2024	12,340	0
Total	\$42,054	\$55,367

NOTE 10 – Joint Ventures

Based on an agreement, written by the Clark County Prosecutors Office, signed and dated on December 5, 2001 by the Green Township and Mad River Township Trustees, the Trustees entered into a joint venture to mutually share all expenses for the operation of the Hustead Fire and Emergency Medical Services Departments.

This agreement was based on Ohio Revised Code Section 505.37(B), which authorizes Boards of Township Trustees to unite in the joint purchase, maintenance, use and operation of firefighting and emergency medical services equipment. This agreement states in part, that the funding for operation of the two departments shall be apportioned equally between the two Townships.

Note 11 – 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 unexpendable 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 facilitate effective cash planning and control.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2022

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 646	\$ 90,523	\$ 91,169
Total	<u>\$646</u>	<u>\$90,523</u>	<u>\$91,169</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.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 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 received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

MAD RIVER TOWNSHIP, CLARK COUNTY
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$ 114,958	\$1,208,924	\$ 160,607	\$ -	\$ 1,484,489
Charges for Services	-	352,610	-	-	352,610
Licenses, Permits and Fees	61,323	75,619	-	-	136,942
Fines and Forfeitures	2,858	-	-	-	2,858
Intergovernmental	65,007	879,328	399,855	-	1,344,190
Special Assessments	1,415	25,152	-	-	26,567
Earnings on Investments	3,005	1,042	-	8	4,055
Miscellaneous	11,649	40,431	-	-	52,080
	<u>260,215</u>	<u>2,583,106</u>	<u>560,462</u>	<u>8</u>	<u>3,403,791</u>
<i>Total Cash Receipts</i>					
Cash Disbursements					
Current:					
General Government	217,328	-	-	-	217,328
Public Safety	-	1,135,199	-	-	1,135,199
Public Works	-	280,329	-	-	280,329
Health	-	93,981	-	-	93,981
Human Services	-	-	-	-	-
Capital Outlay	149,572	624,204	428,668	-	1,202,444
Debt Service:					
Principal Retirement	-	54,819	107,274	-	162,093
Interest and Fiscal Charges	-	5,939	6,098	-	12,037
<i>Total Cash Disbursements</i>	<u>366,900</u>	<u>2,194,471</u>	<u>542,040</u>	<u>-</u>	<u>3,103,411</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(106,685)</u>	<u>388,635</u>	<u>18,422</u>	<u>8</u>	<u>300,380</u>
Other Financing Receipts (Disbursements)					
Sales Of Capital Asset	-	40,500	-	-	40,500
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>40,500</u>	<u>-</u>	<u>-</u>	<u>40,500</u>
Net Change in Fund Cash Balances	(106,685)	429,135	18,422	8	340,880
Fund Cash Balances, January 1	<u>1,599,102</u>	<u>2,363,246</u>	<u>297,013</u>	<u>4,850</u>	<u>4,264,211</u>
Fund Cash Balances, December 31	<u>\$ 1,492,417</u>	<u>\$2,792,381</u>	<u>\$ 315,435</u>	<u>\$ 4,858</u>	<u>\$ 4,605,091</u>

See the accompanying notes to the Financial Statements

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Mad River Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Clark County Sheriff to provide police protection.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in a joint venture with Green Township for the operation of the Husted Fire and Emergency Medical Services Department. Note 10 to the financial statement provides additional information for this joint venture. The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statement provides additional information for this risk pool. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

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:

Enon Emergency Medical Services Fund - This fund receives property tax money, donations, and charges for services to pay for the operation and maintenance of the Enon Emergency Medical Services Department.

Capital Project Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other assets. The Township had the following significant Capital Project Fund:

Fire and EMS Equipment and Building Fund - This fund receives property tax money, for providing and maintaining fire apparatus, ambulance equipment and buildings.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequest Fund This fund is based upon donor-imposed restrictions.

The Township has a Cemetery Bequest Fund; however, a trust agreement was not available to support the permanent fund classification.

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 Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 Section 117-2-03 (C) permit.

Budgetary Process

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

Appropriation - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of 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 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 reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

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 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$235,482	\$260,215	\$24,733
Special Revenue	2,549,119	2,623,606	74,487
Capital Projects	561,487	560,462	(1,025)
Total	\$3,346,087	\$3,444,283	\$98,196

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,255,520	\$376,051	\$879,469
Special Revenue	3,167,959	2,257,858	910,101
Capital Projects	712,659	542,040	170,619
Total	\$5,136,138	\$3,175,949	\$1,960,189

Note 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 deposit and investment accounts are as follows:

	2021
Cash Management Pool:	
Demand deposits	\$1,125,285
Other time deposits (savings and NOW accounts)	3,479,806
Total deposits	4,605,091

Deposits

Deposits are insured by the Federal Deposit 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.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Note 6 – Risk Management

Risk Pool Membership

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 (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31 (latest information available):

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Social Security

Eleven (11) 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, 2021.

Note 8 – Postemployment Benefits

OPERS 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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans 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.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$114,589	2.82%
First Security Lease	66,940	4.85%
Dump Truck Lease	<u>29,712</u>	
Total	<u><u>\$211,241</u></u>	

Bonds

The Township issued general obligation bonds in May 2018 to finance the purchase of a new fire truck for the Enon Fire Department. The bonds will be repaid with annual principal and interest payments, beginning in May 2018 and ending in May 2023.

Leases

The Township leases a garage building. The Township disbursed \$29,715 to pay lease costs for the year ending December 31, 2021.

Amortization

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

<u>Year Ending December 31:</u>	<u>Finance Purchases</u>	<u>General Obligation Bonds</u>	<u>Dump Truck Lease</u>
2022	\$29,714	\$65,991	\$31,044
2023	29,714	55,367	0
2024	<u>12,340</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$71,768</u></u>	<u><u>\$121,358</u></u>	<u><u>\$31,044</u></u>

NOTE 10 – Joint Ventures

Based on an agreement, written by the Clark County Prosecutors Office, signed and dated on December 5, 2001 by the Green Township and Mad River Township Trustees, the Trustees entered into a joint venture to mutually share all expenses for the operation of the Hustead Fire and Emergency Medical Services Departments.

This agreement was based on Ohio Revised Code Section 505.37(B), which authorizes Boards of Township Trustees to unite in the joint purchase, maintenance, use and operation of firefighting and emergency medical services equipment. This agreement states in part, that the funding for operation of the two departments shall be apportioned equally between the two Townships.

Note 11 – 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 unexpendable 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 facilitate effective cash planning and control.

Mad River Township
Clark County
Notes to the Financial Statements
For the Year Ended December 31, 2021

At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 9,151	\$ 63,387	\$ 72,538
Total	<u>\$9,151</u>	<u>\$63,387</u>	<u>\$72,538</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 including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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



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

Mad River Township
Clark County
260 East Main Street
PO Box 34
Enon, Ohio 45323

To the Township Board of Trustees:

We have audited, 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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, and fiduciary fund types as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Mad River Township, Clark County (the Township) and have issued our report thereon dated July 31, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also issued an adverse opinion on the Permanent Fund due to lack of sufficient appropriate audit evidence supporting the amounts recorded as Permanent Fund Cemetery Bequest Fund.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions 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 entity'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.

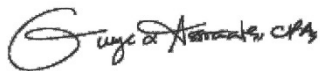
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items No. 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Entity's financial statements are free from 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-003.

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.



Columbus, Ohio
July 31, 2023

**MAD RIVER TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2022-001

Material Weakness – Cemetery Bequest Fund - Trust Agreements

The Township presented a Cemetery Bequest Fund as a Permanent Fund but did not maintain original trust agreements to support the fund / account classification for financial reporting. Due to the lack of documentation, we were unable to obtain sufficient audit evidence to support the activity and fund cash balances reported in the permanent fund.

The Cemetery Bequest Fund represented 100% of the Permanent Fund activity and fund balances, with fund cash balances of \$4,858, \$4,913 at December 31, 2021 and 2022, respectively. Without the original trust agreement, it is not possible to determine whether the Cemetery Bequest Fund should be presented as a Permanent Fund (a benefit to the Township) or as a Private Purpose Trust Fund (a benefit to other organizations, governments, or individuals). In addition, the lack of a trust agreement may be an indication that this fund can be completely spent, which would result in the Fund being classified as a Special Revenue Fund. The inability to determine if this activity and fund balances were properly reported resulted in a modified opinion on the Township's financial statements.

The Township should consult their Legal Counsel for legal advice about how to proceed with the money in this fund. For any new trust funds received, the Township should retain copies of the documentation establishing these trust funds to identify the original principal and purpose of each Trust. In addition, the Township would be able to identify whether or not the principal must be maintained in perpetuity and whether or not the trust is to benefit the entity or other organizations, governments, or individuals.

Furthermore, the Township should review Governmental Accounting Standards Board (GASB) 1300 (GASB 54 codification), Auditor of State Bulletin 2011-004, and Auditor of State Bulletin 2020-003 (GASB 84 bulletin) for fund classification guidance.

Officials' Response:

We did not receive a response from Officials to this finding.

Finding Number 2022-002

Material Weakness – Financial Statement Accuracy

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs. A14 & .A16.

The following errors were identified in the December 31, 2021 financial statements:

- A total of \$25,535 was incorrectly posted as interest payments in lieu of principal in the Road and Bridge Fund.

The lack of transaction and monitoring controls over the recording of financial activity and preparing the annual financial statements may have contributed to the errors identified above. The accompanying financial statements and where necessary the accounting records have been adjusted to correct these errors.

**MAD RIVER TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

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

Finding Number 2022-002 (Continued)

Material Weakness – Financial Statement Accuracy (Continued)

The failure to correctly classify financial activity in the accounting records and financial statements may impact a user's understanding of the financial operations, the ability to make sound financial decisions, the ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Trustees. Inaccurate note disclosures pose the risk of misleading the readers of the annual financial report.

To help ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt controls and/or procedures to identify and correct errors and omissions. Resources such as the Ohio Township Handbook, the Uniform Accounting Network (UAN) Manual, and the Township financial statement and note shells on the Auditor of State website can be utilized when recording transactions and preparing the annual financial statements. Additionally, Council or a sub-committee such as an audit or finance committee should perform periodic reviews of the receipt and disbursement ledgers to help identify errors and/or irregularities. Prior to filing, a secondary review of the financial statements and notes to the financial statements should be performed to verify that all amounts are accurate and agree to supporting documentation.

Officials' Response:

We did not receive a response from Officials to this finding.

Finding Number 2022-003

Non-Compliance: Outstanding Checks on Bank Reconciliations

Ohio Rev. Code § 9.39 provides, in part, that unclaimed money shall be deposited to the credit of a trust fund and shall be retained there until claimed by its lawful owner. If not claimed within a period of five years, the money shall revert to the General Fund of the Public Office.

Auditor of State Bulletin 91-11 addresses the accounting procedures to follow regarding outstanding, stale-dated warrants / checks issued by the governmental entity. According to the audit bulletin, when the warrant / check becomes stale-dated (90 days from the issue date) a memorandum of pay-in should be made to the unclaimed monies fund. A transaction description on the cash journal and receipt ledger should include the warrant / check number, name of payee, and the transaction should be identified as being an unclaimed warrant / check.

The original entry should not be reversed. At this time, the warrant / check should be removed from the list of outstanding warrants / checks. If the rightful owner claims the unpaid money, a warrant / check would be paid from the unclaimed monies fund. If the liability remains unclaimed for a period of five years from the date the money was placed in the unclaimed monies fund, the money shall then be paid to the General Fund. If, after the five-year period, the rightful owner claims the unpaid money, a warrant / check would be paid from the General Fund.

Officials' Response:

We did not receive a response from Officials to this finding.

**MAD RIVER TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

Finding Number 2022-003 (Continued)

Non-Compliance: Outstanding Checks on Bank Reconciliations (Continued)

The Township's December 31, 2022, outstanding check report included 40 checks totaling \$10,504 that were more than 1 year old, including 36 that were issued prior to 2018.

Failure to resolve old outstanding checks and move those checks to an unclaimed monies fund could result in unnecessary reconciling items and funds that are available to the Township but cannot be accessed.

The Township should monitor their outstanding checks and remove outstanding checks that are greater than 1 year old and move those checks to an unclaimed monies fund to ensure that the proper funds are available to the Township and can be accessed when needed.

Officials' Response:

We did not receive a response from Officials to this finding.

MAD RIVER TOWNSHIP

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Fiscal Officer, David J Rudy

TRUSTEES: Jay Young • Todd Pettit • Robert W McClure

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS December 31, 2022 and 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness – Cemetery Bequest Fund - Trust Agreements	Not Corrected	Reissued as Finding # 2022-001

OHIO AUDITOR OF STATE KEITH FABER



MAD RIVER TOWNSHIP

CLARK 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 10/10/2023

88 East Broad 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