



Dave Yost • Auditor of State



**MADISON TOWNSHIP  
VINTON COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Madison Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1B of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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* paragraph, the financial statements referred to above 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, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Madison Township, Vinton County, Ohio as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, during 2012, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2014 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 8, 2014

**MADISON TOWNSHIP  
VINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$2,260	\$8,411	\$10,671
Licenses, Permits and Fees	0	250	250
Intergovernmental	58,630	98,340	156,970
Earnings on Investments	160	6	166
Miscellaneous	138	1,234	1,372
<i>Total Cash Receipts</i>	<u>61,188</u>	<u>108,241</u>	<u>169,429</u>
<b>Cash Disbursements</b>			
Current:			
General Government	7,729	206	7,935
Public Works	0	139,562	139,562
Health	0	5,086	5,086
<i>Total Cash Disbursements</i>	<u>7,729</u>	<u>144,854</u>	<u>152,583</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>53,459</u>	<u>(36,613)</u>	<u>16,846</u>
<i>Net Change in Fund Cash Balances</i>	53,459	(36,613)	16,846
<i>Fund Cash Balances, January 1</i>	<u>904</u>	<u>116,493</u>	<u>117,397</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	79,880	79,880
Assigned	54,363	0	54,363
<i>Fund Cash Balances, December 31</i>	<u><u>\$54,363</u></u>	<u><u>\$79,880</u></u>	<u><u>\$134,243</u></u>

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

**MADISON TOWNSHIP  
VINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$2,180	\$9,002	\$11,182
Intergovernmental	7,557	97,967	105,524
Earnings on Investments	194	0	194
Miscellaneous	0	200	200
<i>Total Cash Receipts</i>	<u>9,931</u>	<u>107,169</u>	<u>117,100</u>
<b>Cash Disbursements</b>			
Current:			
General Government	16,382	202	16,584
Public Safety	3,000	0	3,000
Public Works	0	94,299	94,299
Health	0	4,454	4,454
<i>Total Cash Disbursements</i>	<u>19,382</u>	<u>98,955</u>	<u>118,337</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,451)</u>	<u>8,214</u>	<u>(1,237)</u>
<i>Net Change in Fund Cash Balances</i>	(9,451)	8,214	(1,237)
<i>Fund Cash Balances, January 1</i>	<u>10,355</u>	<u>108,279</u>	<u>118,634</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	116,493	116,493
Assigned	904	0	904
<i>Fund Cash Balances, December 31</i>	<u><u>\$904</u></u>	<u><u>\$116,493</u></u>	<u><u>\$117,397</u></u>

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

**MADISON TOWNSHIP  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Madison Township, Vinton 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 and cemetery maintenance. The Township contracts with the Village of Zaleski Fire Department to provide fire protection services.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. 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.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

**MADISON TOWNSHIP  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

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

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. 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:

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**MADISON TOWNSHIP  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies**

**F. Fund Balance**

**3. 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.

**4. Assigned**

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

**5. 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.

**G. Property, Plant, and Equipment**

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

**2. Equity in Pooled Deposits and Investments**

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

	<u>2013</u>	<u>2012</u>
Demand deposits	\$133,243	\$116,397
Certificates of deposit	1,000	1,000
Total deposits	<u>\$134,243</u>	<u>\$117,397</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation;

**MADISON TOWNSHIP  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,102	\$61,188	\$56,086
Special Revenue	102,193	108,241	6,048
Total	\$107,295	\$169,429	\$62,134

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,962	\$7,729	\$1,233
Special Revenue	209,130	144,854	64,276
Total	\$218,092	\$152,583	\$65,509

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,187	\$9,931	\$3,744
Special Revenue	99,406	107,169	7,763
Total	\$105,593	\$117,100	\$11,507

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,542	\$19,382	(\$3,840)
Special Revenue	207,685	98,955	108,730
Total	\$223,227	\$118,337	\$104,890

**4. Property Tax**

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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**MADISON TOWNSHIP  
VINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. Retirement Systems**

The Township's elected officials and 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

**6. Risk Management**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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# Dave Yost • Auditor of State

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

Madison Township  
Vinton County  
PO Box 159  
Zaleski, Ohio 45698

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Madison Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated October 8, 2014, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the Township has adopted Governmental Accounting Standards Board Statement No. 54.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. 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. We consider finding 2013-003 described in the accompanying Schedule of Findings to be a material weakness.

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***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2013-001 and 2013-002.

***Entity's Response to Findings***

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 8, 2014

**MADISON TOWNSHIP  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

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

**FINDING NUMBER 2013-001**

**Noncompliance Citation and Finding for Adjustment**

Ohio Rev. Code § 505.60(A) states the Board of Township Trustees may procure and pay all or any part of the cost of insurance policies that may provide benefits for medical insurance coverage for township officers and employees. If the Board procures any insurance policies under this section, the Board shall provide uniform coverage under these policies for township officers and full-time employees and their immediate dependents, and may provide coverage under these policies for part-time township employees and their immediate dependents, from funds or budgets from which the officers or employees are compensated for services.

Ohio Rev. Code § 505.601 states that if the Board of Trustees does not procure an insurance policy or group health care services as provided in section 505.60 of the Revised Code, the Board of Township Trustees may reimburse any township officer or employee for each out-of-pocket premium attributable to the coverage provided for that officer or employee for insurance benefits described in division (A) of section 505.60 of the revised code as long as the following conditions are met:

- The Board of Trustees must adopt a resolution that states that the township has chosen not to procure a health care plan and instead have chosen to reimburse its officers and employees for each out-of-pocket premium attributable to the coverage provided to them for insurance benefits;
- The resolution must provide for a uniform maximum monthly or yearly payment amount for each officer or employee to cover themselves and their immediate dependents, beyond which the Township will not reimburse the officer or employee; and
- The resolution states the specific benefits for which the Township will reimburse all officers and employees of the township.

For 2013 and 2012, the Trustees' monthly insurance premium reimbursements were paid from the Gasoline Tax Fund and the General Fund. However, the amount paid from these funds was not allocated in the same percentages as their compensation was allocated. In 2012, the Trustees should have had 8% or \$521 of their total insurance premiums reimbursed from the General Fund instead of the Gasoline Tax Fund. In 2013, the Trustees should have had 8% or \$655 of their total insurance premiums reimbursed from the General Fund instead of the Gasoline Tax Fund. This resulted in \$1,176 being overpaid from the Gasoline Tax Fund.

In accordance with the foregoing facts, a Finding for Adjustment is hereby issued against the Township's General Fund in the amount of \$1,176 and in favor of the Gasoline Tax Fund.

We recommend the Township Fiscal Officer pay insurance premiums and reimbursements from the same funds from which Township officials and employees are compensated.

**Official's Response:**

Fiscal Officer has taken note that salary and insurance reimbursement must come from the same fund.

MADISON TOWNSHIP  
VINTON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

FINDING NUMBER 2013-002

Noncompliance Citation

Ohio Rev. Code Section 5705.40 states, in part, that a subdivision may amend or supplement its appropriation measure provided the entity complies with the same provisions of law as are used in making the original appropriation. In addition, Ohio courts have held that a board or officer whose judgment and discretion is required, was chosen because they were deemed fit and competent to exercise that judgment and discretion and unless power to substitute another in their place has been given, such board or officer cannot delegate these duties to another. Following such reasoning, a Township Board of Trustees would be prohibited from delegating duties statutorily assigned to it, such as the duty of amending appropriations. See C.B. Transportation, Inc. v. Butler County Board of Mental Retardation, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979); and Burkholder v. Lauber, 6 Ohio Misc. 152, 216 N.E.2d (C.P. 1965).

At December 31, 2013, appropriations as approved by the Township's Board of Trustees did not agree to the Township's accounting system. The variance is as follows:

	Appropriations		
	<u>Per App Measure</u>	<u>Per UAN system</u>	<u>Variance</u>
<u>Road and Bridge</u>	\$15,266	\$20,866	(\$5,600)

We recommend the Township Board of Trustees approve all appropriation amendments, record approval in the Board minutes, and file all appropriation amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Fiscal Officer should only post legislatively approved amendments.

Official's Response:

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

FINDING NUMBER 2013-003

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustment or reclassification:

In 2012:

- Intergovernmental revenues of \$3,657 were posted to Taxes (\$463) and Miscellaneous (\$3,194) in the General Fund.
- Fire contract expenditure of \$3,000 was posted as Gasoline Tax Fund Public Works but should have been posted to General Fund Public Safety since there is no Fire Fund.

**MADISON TOWNSHIP  
VINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**FINDING NUMBER 2013-003 (Continued)**

**Material Weakness (Continued)**

- A grant of \$8,000 for road maintenance was posed to Miscellaneous in the Road and Bridge Fund, but should have posted to Intergovernmental in the Road and Bridge Fund.
- Costs for the prior period Agreed-Upon Procedures engagement were paid entirely from the Gasoline Tax Fund Public Works, but part of the cost (\$495) should have been paid from General Fund General Government.
- The entire Cemetery Fund ending balance was classified as Nonspendable, however, there was no documentation to support this classification, therefore it should have been classified as Restricted.
- Insurance reimbursements of \$521 were paid from Gasoline Tax Fund Public Works, but should have been paid from General Fund General Government.
- The employer portion of Medicare and OPERS was paid from Cemetery Fund Health (\$558) and General Fund General Government (\$60), but should have been paid from Gasoline Tax Fund Public Works.
- The entire General Fund ending balance of \$904 was reported as Unassigned but should have been reported as Assigned.

**In 2013:**

- Intergovernmental revenues of \$7,642 were posted to Taxes (\$120) and Miscellaneous (\$7,522) in the General Fund.
- Insurance reimbursements of \$655 were paid from Gasoline Tax Fund Public Works, but should have been paid from General Fund General Government.
- The employer portion of Medicare and OPERS was paid from Cemetery Fund Health (\$540), but should have been paid from Gasoline Tax Fund Public Works (\$387) and General Fund General Government (\$153).
- The entire General Fund ending balance of \$54,363 was reclassified from Unassigned to Assigned.
- Stumpage receipts of \$47,031 were posted to Miscellaneous in the Road and Bridge Fund, however it should have been posted to Intergovernmental in the General Fund.
- Intergovernmental revenues of \$6,031 were posted to Miscellaneous in the Road and Bridge Fund.

The audited financial statements reflect the adjustments noted above and the Fiscal Officer posted the adjustments to the accounting system.

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Township Manual for guidance on the correct line items to post various receipts and expenditures of the Township.

**Official's Response:**

The Fiscal Officer will review the Township manual.

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# Dave Yost • Auditor of State

**MADISON TOWNSHIP**

**VINTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 21, 2014**