



Mary Taylor, CPA
Auditor of State

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government – Wide Financial Statements:	
Statement of Net Assets – Cash Basis For the Year Ended December 31, 2006.....	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2006.....	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds For the Year Ended December 31, 2006.....	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2006.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – General Fund For the Year Ended December 31, 2006.....	13
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Gasoline Tax Fund For the Year Ended December 31, 2006.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2006.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Special Levy 1 Fund For the Year Ended December 31, 2006.....	16
Government – Wide Financial Statements:	
Statement of Net Assets – Cash Basis For the Year Ended December 31, 2005.....	17
Statement of Activities – Cash Basis For the Year Ended December 31, 2005.....	18
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds For the Year Ended December 31, 2005.....	19

MARIETTA TOWNSHIP
WASHINGTON COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2005	20
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – General Fund For the Year Ended December 31, 2005	21
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Gasoline Tax Fund For the Year Ended December 31, 2005	22
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Road and Bridge Fund For the Year Ended December 31, 2005	23
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis – Special Levy 1 Fund For the Year Ended December 31, 2005	24
Notes to the Financial Statements	25
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	37
Schedule of Findings	39



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Marietta Township
Washington County
250 Forshey Road
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marietta Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Marietta Township, Washington County, Ohio, as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and Special Levy 1 Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 21, 2007

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

This discussion and analysis of the Marietta Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$85,363, or 38 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund, due to increased property tax and estate tax received.

The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent respectively \$427,934 and 65 percent of the total cash received for governmental activities during the year. Property taxes for 2006 changed substantially from 2005 as development within the Township increased.

Key highlights for 2005 are as follows:

Net assets of governmental activities decreased \$26,689, or 11 percent. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2005; however, cost increases affected most funds.

The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent respectively \$355,361 and 55 percent of the total cash received for governmental activities during the year. Property and intergovernmental receipts for 2005 changed very little compared to 2004 as development within the Township has slowed.

Marietta Township purchased the old Reno School Building in July of 2004. This put the Township in a higher area for debt. However, there were no levies needed for this purchase. The money comes through fees received from Charter Cable and public donations.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, extent of debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities. Most of the Township's basic services are reported here, including fire, roads, and cemeteries. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, and Special Levy 1 Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Government as a Whole

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2006	2005	2004
Assets			
Cash and Cash Equivalents	\$309,339	\$223,976	\$250,665
Total Assets	\$309,339	\$223,976	\$250,665
Net Assets			
Restricted for:			
Capital Projects	\$29,948	\$16,344	\$35,626
Debt Service	15,290	11,625	7,360
Other Purposes	148,446	121,798	106,095
Unrestricted	115,655	74,209	101,584
Total Net Assets	\$309,339	\$223,976	\$250,665

As mentioned previously, net assets of governmental activities increased \$85,363 or 38 percent during 2006. The primary reasons contributing to the increase in cash balances are as follows:

- Increase in estate tax received of \$45,753.

As mentioned previously, net assets of governmental activities decreased \$26,689 or 11 percent during 2005. The primary reasons contributing to the decrease in cash balances are as follows:

- Increase in the cost of Health Benefits.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities.

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$64,676	\$58,842
Operating Grants and Contributions	129,848	169,602
Capital Grants and Contributions	30,384	41,156
Total Program Receipts	<u>224,908</u>	<u>269,600</u>
General Receipts:		
Property and Other Local Taxes	323,556	295,362
Grants and Entitlements Not Restricted to Specific Programs	104,378	59,999
Miscellaneous	10,344	15,847
Total General Receipts	<u>438,278</u>	<u>371,208</u>
Total Receipts	<u>663,186</u>	<u>640,808</u>
Disbursements:		
General Government	150,917	157,825
Public Safety	129,517	140,428
Public Works	208,586	249,344
Health	21,554	20,984
Human Services	1,235	
Conservation-Recreation	691	800
Capital Outlay	4,777	20,726
Debt Service:		
Principal Retirement	30,594	45,820
Interest and Fiscal Charges	29,952	31,570
Total Disbursements	<u>577,823</u>	<u>667,497</u>
Increase (Decrease) in Net Assets	85,363	(26,689)
Net Assets, January 1	<u>223,976</u>	<u>250,665</u>
Net Assets, December 31	<u>\$309,339</u>	<u>\$223,976</u>

For 2006, program receipts represent only 34 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gasoline tax money.

For 2005, program receipts represent only 42 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gasoline tax money and FEMA money.

In 2006, general receipts represent 66 percent of the Township's total receipts, and of this amount, over 74 percent are property tax receipts. Grants and entitlements make the balance of the Township's general receipts (24 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

In 2005, general receipts represent 58 percent of the Township's total receipts, and of this amount, over 80 percent are property tax receipts. Grants and entitlements make up the balance of the Township's general receipts (16 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include, but aren't limited to, the costs of trustee and clerk salaries, medical costs, insurances, retirement, and utilities. Public Safety is the cost of fire protection; Public Works is the general maintenance as well as repair of roads; Health is health services; Capital Outlay is the cost of equipment purchased by the Township and Debt Service is the payment of the debt of the Township.

Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented for 2005 compared to 2004.

Governmental Activities

If you look at the Statement of Activities on pages 10 and 18, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Works, General Government, and Public Safety, which account for 36, 26, and 22 percent of all governmental disbursements, respectively for 2006. The major program disbursements for governmental activities are for Public Works, General Government, and Public Safety, which account for 37, 24, and 21 percent of all governmental disbursements, respectively for 2005. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$150,917	\$142,478	\$157,825	\$157,593
Public Safety	129,517	114,724	140,428	136,546
Public Works	208,586	91,650	249,344	83,681
Health	21,554	21,554	20,984	20,984
Human Services	1,235	1,235		
Conservation-Recreation	691	(16,279)	800	(24,646)
Other		(37,386)		(33,221)
Capital Outlay	4,777	4,777	20,726	10,726
Principal Retirement	30,594	210	45,820	14,664
Interest and Fiscal Charges	29,952	29,952	31,570	31,570
Total Expenses	\$577,823	\$352,915	\$667,497	\$397,897

The dependence upon general receipts is apparent as over 61 percent and 60 percent of governmental activities are supported through these general receipts for 2006 and 2005, respectively.

The Government's Funds

For 2006 total governmental funds had receipts of \$653,364 and disbursements of \$577,823. The greatest change within governmental funds occurred within the General Fund, Gasoline Tax Fund and Road and Bridge Fund. The fund balance of the General Fund increased \$41,447, which is a 56 percent

Marietta Township
Washington County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

increase for that fund. Receipts consist of local tax monies, intergovernmental revenue and Cable Franchise Fees and expenditures are for the general operation of the Township. The fund balance of the Gasoline Tax Fund increased \$18,859, which is a 82 percent increase for that fund. Receipts consist of gasoline tax monies and expenditures are restricted to road maintenance. The fund balance of the Road and Bridge Fund increased \$33,906, which is a 67 percent increase for that fund. Receipts consist of local tax monies and expenditures are restricted to road and bridge maintenance.

For 2005 total governmental funds had receipts of \$627,413 and disbursements of \$667,495. The greatest change within governmental funds occurred within the General Fund and Gasoline Tax Fund. The fund balance of the General Fund decreased \$27,376, which is a 27 percent decrease for that fund. The decrease was due to a decrease in revenue. The fund balance of the Gasoline Tax Fund decreased \$9,752, which is a 30 percent decrease for that fund. The decrease was due to an increase in expenditures.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2006 there were changes from the original budget to the final budget. Final budgeted receipts were above original budgeted receipts due to a better estimate of tax receipts and intergovernmental receipts. The difference between final budgeted receipts and actual receipts was \$28,734.

For 2006 final disbursements were budgeted at \$177,443 while actual disbursements were \$145,954. The Township spent conservatively, spending well below the budgeted expenditure amounts. The result is the increase in fund balance of \$41,447 for 2006 for the General Fund.

During 2005 changes from the original budget have been minimal. Final budgeted receipts were above original budgeted receipts due to a better estimate of tax receipts, license, permits and fees and interest. The difference between final budgeted receipts and actual receipts was \$19,690.

For 2005 final disbursements were budgeted at \$197,915 while actual disbursements were \$169,305. The Township disbursements exceeded receipts resulting in the decrease in fund balance of \$27,376 for 2005.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Township. We have reduced staffing levels in areas where we felt it would have the least impact on services.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jeanette Gregory, Township Clerk, Marietta Township, 250 Forshey Road, Marietta, Ohio 45750.

MARIETTA TOWNSHIP
WASHINGTON COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 309,339
<i>Total Assets</i>	<u>\$ 309,339</u>
Net Assets:	
Restricted for:	
Capital Projects	\$ 29,948
Debt Service	15,290
Other Purposes	148,446
Unrestricted	115,655
<i>Total Net Assets</i>	<u>\$ 309,339</u>

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

MARIETTA TOWNSHIP
WASHINGTON COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 150,917		\$ 8,439		\$ (142,478)
Public Safety	129,517	14,793			(114,724)
Public Works	208,586		116,936		(91,650)
Health	21,554				(21,554)
Human Services	1,235				(1,235)
Conservation-Recreation	691	13,920	3,050		16,279
Other		35,963	1,423		37,386
Capital Outlay	4,777				(4,777)
Debt Service:					
Principal Retirement	30,594			30,384	(210)
Interest and Fiscal Charges	29,952				(29,952)
<i>Total Governmental Activities</i>	<u>\$ 577,823</u>	<u>\$ 64,676</u>	<u>\$ 129,848</u>	<u>\$ 30,384</u>	<u>(352,915)</u>
		General Receipts:			
		Property Taxes Levied for:			
		General Purposes			323,556
		Grants and Entitlements not Restricted to Specific Programs			104,378
		Miscellaneous			10,344
		<i>Total General Receipts</i>			<u>438,278</u>
		<i>Change in Net Assets</i>			85,363
		Net Assets Beginning of Year			<u>223,976</u>
		Net Assets End of Year			<u>\$ 309,339</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Special Levy 1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 115,655	\$ 41,881	\$ 84,217	\$	\$ 67,586	\$ 309,339
<i>Total Assets</i>	<u>\$ 115,655</u>	<u>\$ 41,881</u>	<u>\$ 84,217</u>	<u>\$ 0</u>	<u>\$ 67,586</u>	<u>\$ 309,339</u>
Fund Balances:						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 115,655	\$	\$	\$	\$	\$ 115,655
Special Revenue Funds		41,881	84,217		22,348	148,446
Debt Service Fund					15,290	15,290
Capital Projects Funds					29,948	29,948
<i>Total Fund Balances</i>	<u>\$ 115,655</u>	<u>\$ 41,881</u>	<u>\$ 84,217</u>	<u>\$ 0</u>	<u>\$ 67,586</u>	<u>\$ 309,339</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Special Levy 1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Property and Other Local Taxes	\$ 93,822	\$	\$ 98,317	\$ 66,442	\$ 64,502	\$ 323,083
Licenses, Permits and Fees	35,963					35,963
Intergovernmental	89,373	81,871	15,327	5,154	44,021	235,746
Special Assessments					39,658	39,658
Interest	947	183			293	1,423
Other	80		441		16,970	17,491
<i>Total Receipts</i>	<u>220,185</u>	<u>82,054</u>	<u>114,085</u>	<u>71,596</u>	<u>165,444</u>	<u>653,364</u>
Disbursements:						
Current:						
General Government	122,366	8,429			20,122	150,917
Public Safety	800			71,596	57,121	129,517
Public Works		54,766	80,179		73,642	208,587
Health	21,553					21,553
Human Services	1,235					1,235
Conservation-Recreation					691	691
Capital Outlay					4,777	4,777
Debt Service:						
Principal Retirement					30,594	30,594
Interest and Fiscal Charges					29,952	29,952
<i>Total Disbursements</i>	<u>145,954</u>	<u>63,195</u>	<u>80,179</u>	<u>71,596</u>	<u>216,899</u>	<u>577,823</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>74,231</u>	<u>18,859</u>	<u>33,906</u>	<u>0</u>	<u>(51,455)</u>	<u>75,541</u>
Other Financing Sources (Uses):						
Transfers In					32,784	32,784
Transfers Out	(32,784)					(32,784)
Advances In	31,124			10,000	21,124	62,248
Advances Out	(31,124)			(10,000)	(21,124)	(62,248)
Other Financing Sources					9,822	9,822
<i>Total Other Financing Sources (Uses)</i>	<u>(32,784)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,606</u>	<u>9,822</u>
<i>Net Change in Fund Balances</i>	41,447	18,859	33,906	0	(8,849)	85,363
Fund Balances Beginning of Year	74,208	23,022	50,311	0	76,435	223,976
Fund Balances End of Year	<u>\$ 115,655</u>	<u>\$ 41,881</u>	<u>\$ 84,217</u>	<u>\$ 0</u>	<u>\$ 67,586</u>	<u>\$ 309,339</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Property and Other Local Taxes	\$ 72,000	\$ 82,593	\$ 93,822	\$ 11,229
Licenses, Permits and Fees	15,000	35,963	35,963	0
Intergovernmental	29,635	71,957	89,373	17,416
Interest	500	850	947	97
Other		88	80	(8)
<i>Total Receipts</i>	<u>117,135</u>	<u>191,451</u>	<u>220,185</u>	<u>28,734</u>
Disbursements:				
Current:				
General Government	130,890	130,890	122,366	8,524
Public Safety	8,000	8,000	800	7,200
Public Works	5,000	5,000		5,000
Health	21,553	21,553	21,553	0
Human Services			1,235	(1,235)
Conservation-Recreation	1,000	1,000		1,000
Other	3,000	3,000		3,000
Capital Outlay	8,000	8,000		8,000
<i>Total Disbursements</i>	<u>177,443</u>	<u>177,443</u>	<u>145,954</u>	<u>31,489</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(60,308)</u>	<u>14,008</u>	<u>74,231</u>	<u>60,223</u>
Other Financing Sources (Uses):				
Transfers Out	(13,900)	(13,900)	(32,784)	(18,884)
Advances In	20,000	31,124	31,124	0
Advances Out	(20,000)	(20,000)	(31,124)	(11,124)
<i>Total Other Financing Sources (Uses)</i>	<u>(13,900)</u>	<u>(2,776)</u>	<u>(32,784)</u>	<u>(30,008)</u>
<i>Net Change in Fund Balance</i>	(74,208)	11,232	41,447	30,215
Fund Balance Beginning of Year	<u>74,208</u>	<u>74,208</u>	<u>74,208</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 85,440</u>	<u>\$ 115,655</u>	<u>\$ 30,215</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 79,000	\$ 81,871	\$ 81,871	\$
Interest	125	163	183	20
<i>Total Receipts</i>	<u>79,125</u>	<u>82,034</u>	<u>82,054</u>	<u>20</u>
Disbursements:				
Current:				
General Government		9,000	8,429	571
Public Works	102,147	93,147	54,766	38,381
<i>Total Disbursements</i>	<u>102,147</u>	<u>102,147</u>	<u>63,195</u>	<u>38,952</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(23,022)	(20,113)	18,859	38,972
Fund Balance Beginning of Year	<u>23,022</u>	<u>23,022</u>	<u>23,022</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 2,909</u>	<u>\$ 41,881</u>	<u>\$ 38,972</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 82,500	\$ 98,317	\$ 98,317	\$
Intergovernmental	11,582	13,745	15,327	1,582
Other	600	600	441	(159)
<i>Total Receipts</i>	<u>94,682</u>	<u>112,662</u>	<u>114,085</u>	<u>1,423</u>
Disbursements:				
Current:				
Public Works	144,797	144,992	80,179	64,813
<i>Total Disbursements</i>	<u>144,797</u>	<u>144,992</u>	<u>80,179</u>	<u>64,813</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(50,115)	(32,330)	33,906	66,236
Fund Balance Beginning of Year	45,928	45,928	45,928	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,383</u>	<u>4,383</u>	<u>4,383</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 196</u>	<u>\$ 17,981</u>	<u>\$ 84,217</u>	<u>\$ 66,236</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY 1 FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 60,500	\$ 66,442	\$ 66,442	\$
Intergovernmental	5,800	6,077	5,154	(923)
<i>Total Receipts</i>	<u>66,300</u>	<u>72,519</u>	<u>71,596</u>	<u>(923)</u>
Disbursements:				
Current:				
Public Safety	66,300	66,300	71,596	(5,296)
<i>Total Disbursements</i>	<u>66,300</u>	<u>66,300</u>	<u>71,596</u>	<u>(5,296)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>6,219</u>	<u>0</u>	<u>(6,219)</u>
Other Financing Sources (Uses):				
Advances In			10,000	10,000
Advances Out	(10,000)	(10,000)	(10,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(10,000)	(3,781)	0	3,781
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (10,000)</u>	<u>\$ (3,781)</u>	<u>\$ 0</u>	<u>\$ 3,781</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 223,976
<i>Total Assets</i>	\$ 223,976
 Net Assets:	
Restricted for:	
Capital Projects	\$ 16,344
Debt Service	11,625
Other Purposes	121,798
Unrestricted	74,209
<i>Total Net Assets</i>	\$ 223,976

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 157,825	\$	\$ 232	\$	\$ (157,593)
Public Safety	140,428		3,882		(136,546)
Public Works	249,344	14,703	150,960		(83,681)
Health	20,984				(20,984)
Conservation-Recreation	800	12,925	12,521		24,646
Other		31,214	2,007		33,221
Capital Outlay	20,726			10,000	(10,726)
Debt Service:					
Principal Retirement	45,820			31,156	(14,664)
Interest and Fiscal Charges	31,570				(31,570)
<i>Total Governmental Activities</i>	<u>\$ 667,497</u>	<u>\$ 58,842</u>	<u>\$ 169,602</u>	<u>\$ 41,156</u>	<u>(397,897)</u>
		General Receipts:			
		Property Taxes Levied for:			
		General Purposes			295,362
		Grants and Entitlements not Restricted to Specific Programs			59,999
		Miscellaneous			15,847
		<i>Total General Receipts</i>			<u>371,208</u>
		<i>Change in Net Assets</i>			(26,689)
		Net Assets Beginning of Year			<u>250,665</u>
		Net Assets End of Year			<u>\$ 223,976</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Special Levy 1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 74,208	\$ 23,022	\$ 50,311	\$	\$ 76,435	\$ 223,976
<i>Total Assets</i>	<u>\$ 74,208</u>	<u>\$ 23,022</u>	<u>\$ 50,311</u>	<u>\$ 0</u>	<u>\$ 76,435</u>	<u>\$ 223,976</u>
Fund Balances:						
Reserved:						
Reserved for Encumbrances	\$	\$	\$ 4,383	\$	\$ 13,148	\$ 17,531
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	74,208					74,208
Special Revenue Funds		23,022	45,928		35,318	104,268
Debt Service Fund					11,625	11,625
Capital Projects Funds					16,344	16,344
<i>Total Fund Balances</i>	<u>\$ 74,208</u>	<u>\$ 23,022</u>	<u>\$ 50,311</u>	<u>\$ 0</u>	<u>\$ 76,435</u>	<u>\$ 223,976</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Special Levy 1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:						
Property and Other Local Taxes	\$ 85,189	\$	\$ 90,436	\$ 60,706	\$ 59,030	\$ 295,361
Licenses, Permits and Fees	23,519				7,695	31,214
Intergovernmental	44,315	79,395	10,241	5,675	80,964	220,590
Special Assessments					40,341	40,341
Interest	941	138			267	1,346
Other	2,453				36,108	38,561
<i>Total Receipts</i>	<u>156,417</u>	<u>79,533</u>	<u>100,677</u>	<u>66,381</u>	<u>224,405</u>	<u>627,413</u>
Disbursements:						
Current:						
General Government	122,264				35,561	157,825
Public Safety	22,047			66,381	52,000	140,428
Public Works	1,962	89,285	95,455		62,640	249,342
Health	20,984					20,984
Conservation-Recreation	505				295	800
Capital Outlay	1,543		4,500		14,683	20,726
Debt Service:						
Principal Retirement					45,820	45,820
Interest and Fiscal Charges					31,570	31,570
<i>Total Disbursements</i>	<u>169,305</u>	<u>89,285</u>	<u>99,955</u>	<u>66,381</u>	<u>242,569</u>	<u>667,495</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,888)</u>	<u>(9,752)</u>	<u>722</u>	<u>0</u>	<u>(18,164)</u>	<u>(40,082)</u>
Other Financing Sources (Uses):						
Transfers In			3,189		15,521	18,710
Transfers Out	(15,521)				(3,189)	(18,710)
Advances In	20,000			10,000	11,006	41,006
Advances Out	(21,006)			(10,000)	(10,000)	(41,006)
Other Financing Sources	2,039				11,354	13,393
<i>Total Other Financing Sources (Uses)</i>	<u>(14,488)</u>	<u>0</u>	<u>3,189</u>	<u>0</u>	<u>24,692</u>	<u>13,393</u>
<i>Net Change in Fund Balances</i>	(27,376)	(9,752)	3,911	0	6,528	(26,689)
Fund Balances Beginning of Year	101,584	32,774	46,400	0	69,907	250,665
Fund Balances End of Year	<u>\$ 74,208</u>	<u>\$ 23,022</u>	<u>\$ 50,311</u>	<u>\$ 0</u>	<u>\$ 76,435</u>	<u>\$ 223,976</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Property and Other Local Taxes	\$ 60,203	\$ 73,569	\$ 85,189	\$ 11,620
Licenses, Permits and Fees	15,521	15,521	23,519	7,998
Intergovernmental	44,315	44,315	44,315	0
Interest	869	869	941	72
Other	2,453	2,453	2,453	0
<i>Total Receipts</i>	<u>123,361</u>	<u>136,727</u>	<u>156,417</u>	<u>19,690</u>
Disbursements:				
Current:				
General Government	131,153	131,153	122,264	8,889
Public Safety	22,000	22,000	22,047	(47)
Public Works	6,936	6,936	1,962	4,974
Health	21,184	22,751	20,984	1,767
Conservation-Recreation	1,148	1,148	505	643
Other	2,500	933		933
Capital Outlay	12,994	12,994	1,543	11,451
<i>Total Disbursements</i>	<u>197,915</u>	<u>197,915</u>	<u>169,305</u>	<u>28,610</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(74,554)</u>	<u>(61,188)</u>	<u>(12,888)</u>	<u>48,300</u>
Other Financing Sources (Uses):				
Transfers Out			(15,521)	(15,521)
Advances In		20,000	20,000	0
Advances Out	(21,006)	(21,006)	(21,006)	0
Other Financing Sources	2,039	2,039	2,039	0
<i>Total Other Financing Sources (Uses)</i>	<u>(18,967)</u>	<u>1,033</u>	<u>(14,488)</u>	<u>(15,521)</u>
<i>Net Change in Fund Balance</i>	(93,521)	(60,155)	(27,376)	32,779
Fund Balance Beginning of Year	<u>101,584</u>	<u>101,584</u>	<u>101,584</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 8,063</u>	<u>\$ 41,429</u>	<u>\$ 74,208</u>	<u>\$ 32,779</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 70,072	\$ 72,561	\$ 79,395	\$ 6,834
Interest	128	128	138	10
<i>Total Receipts</i>	<u>70,200</u>	<u>72,689</u>	<u>79,533</u>	<u>6,844</u>
Disbursements:				
Current:				
Public Works	102,974	102,974	89,285	13,689
<i>Total Disbursements</i>	<u>102,974</u>	<u>102,974</u>	<u>89,285</u>	<u>13,689</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(32,774)	(30,285)	(9,752)	20,533
Fund Balance Beginning of Year	<u>32,774</u>	<u>32,774</u>	<u>32,774</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 2,489</u></u>	<u><u>\$ 23,022</u></u>	<u><u>\$ 20,533</u></u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Receipts:				
Property and Other Local Taxes	\$ 78,770	\$ 90,436	\$ 90,436	\$ 0
Intergovernmental	10,241	10,241	10,241	0
<i>Total Receipts</i>	<u>89,011</u>	<u>100,677</u>	<u>100,677</u>	<u>0</u>
Disbursements:				
Current:				
Public Works	138,600	134,100	99,838	34,262
Capital Outlay		4,500	4,500	0
<i>Total Disbursements</i>	<u>138,600</u>	<u>138,600</u>	<u>104,338</u>	<u>34,262</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(49,589)	(37,923)	(3,661)	34,262
Other Financing Sources (Uses)				
Transfers In	3,189	3,189	3,189	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,189</u>	<u>3,189</u>	<u>3,189</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(46,400)	(34,734)	(472)	34,262
Fund Balance Beginning of Year	<u>46,400</u>	<u>46,400</u>	<u>46,400</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 11,666</u>	<u>\$ 45,928</u>	<u>\$ 34,262</u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SPECIAL LEVY 1 FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Property and Other Local Taxes	\$ 61,347	\$ 61,240	\$ 60,706	\$ (534)
Intergovernmental	5,153	5,675	5,675	0
<i>Total Receipts</i>	<u>66,500</u>	<u>66,915</u>	<u>66,381</u>	<u>(534)</u>
Disbursements:				
Current:				
Public Safety	66,500	66,500	66,381	119
<i>Total Disbursements</i>	<u>66,500</u>	<u>66,500</u>	<u>66,381</u>	<u>119</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>0</u>	<u>415</u>	<u>0</u>	<u>(415)</u>
Other Financing Sources (Uses):				
Advances In			10,000	10,000
Advances Out	(10,000)	(10,000)	(10,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(10,000)	(9,585)	0	9,585
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (10,000)</u>	<u>\$ (9,585)</u>	<u>\$ 0</u>	<u>\$ 9,585</u>

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

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

Marietta Township, Washington County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Clerk.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges. The Township contracts with the Reno Volunteer Fire Department for fire protection. Police protection is provided by the Washington County Sheriff Department. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's only required major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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.

The Township had the following major funds in addition to the General Fund as mentioned above.

Gasoline Tax Fund – This fund receives gasoline tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Road and Bridge Fund – This fund receives property tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Special Levy 1 Fund – This fund receives levy money. Funds are restricted for the purpose of contracting EMS services for the Township provided it is expended according to the general laws of Ohio.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. The Township had no investments.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 was \$947 which includes \$617 assigned from other Township funds. Interest receipts credited to the General Fund during 2005 was \$941 which includes \$602 assigned from other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road maintenance, fire protection, ambulance services and cemetery maintenance. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

N. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

In the prior audit the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For this audit period, the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity (Continued)

Also as described in note 2, the Township has not elected to report inventory, prepaid items, interfund receivables (payables), capital assets, and long-term debt as part of the cash basis of accounting. The transition from the regulatory basis of accounting to the cash basis of accounting generated no changes to fund balance/equity as previously reported at December 31, 2004 and 2003.

Note 4 – Accountability and Compliance

Compliance

The Township had appropriations in excess of estimated resources at December 31, 2006 and at December 31, 2005 contrary to Ohio Rev. Code Section 5705.39.

Note 5– Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, and the following major special revenue funds: Gasoline Tax Fund, Road and Bridge Fund, and Special Levy 1 Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2005 (budgetary basis) amounted to \$4,383 for the Road and Bridge Fund.

Note 6 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 6 – Deposits and Investments (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006, \$228,622 of the Township's bank balance of \$328,622, and at December 31, 2005, \$140,625 of the Township's bank balance of \$240,625, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 7 – Property Taxes (Continued)

Public utility property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 and 2005 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006, was \$4.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$47,864,990
Agricultural	4,001,400
Commercial/Industrial/Mineral	17,361,950
Tangible Personal Property	
Business	11,048,560
Public Utility	3,695,710
Total Assessed Value	\$83,972,610

The full tax rate for all Township operations for the year ended December 31, 2005, was \$4.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	
Residential	\$47,644,180
Agricultural	4,073,640
Commercial/Industrial/Mineral	17,151,360
Tangible Personal Property	
Business	14,298,740
Public Utility	3,403,890
Total Assessed Value	\$86,571,810

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 8 – Risk Management

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

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

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

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 8 – Risk Management (Continued)

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately 10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$20,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

<u>Township Contributions to OTARMA</u>	
2004	\$8,615
2005	\$9,775
2006	\$10,182

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

Note 9 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2005, the members of all three plans, were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006 and 2005 were \$12,714, and \$13,651, respectively. The full amount has been contributed for 2006 and 2005.

Note 10 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll; 4.5 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 percent of covered payroll was the portion that was used to fund health care.

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 10 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .5 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$4,176 in 2006 and \$4,030 in 2005. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 11 - Debt

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

<u>Governmental Activities</u>	Interest Rate	Balance December 31, 2005	Reductions	Balance December 31, 2006	Due Within One Year
General Obligation Bonds					
Special Assessment (\$198,000)	4.60%	\$ 147,900	\$ 18,400	\$ 129,500	\$ 19,200
Park and Recreation (\$260,000)	5.00%	231,603	12,194	219,409	8,700
Ohio Public Works Commission	2.00%	38,256	4,776	33,480	2,424
Promissory Note - Road Equipment	4.50%	29,868	9,521	20,347	9,950
		<u>\$ 447,627</u>	<u>\$ 44,891</u>	<u>\$ 402,736</u>	<u>\$ 40,274</u>

The special assessment bond and the Ohio Public Works Commission Loan were issued to finance the construction of Township roads in Sunnyview Subdivision. Special assessments levied against property owners in the subdivision have been pledged to repay the debt. The OPWC Loan is backed by the full faith and credit of the Township for repayment.

The park and recreation bond was issued to finance the purchase of the former Reno Elementary School from Marietta City School District to be utilized as a Township Park and Recreation Center. The full faith and credit of the Township is pledged to repay this debt. The Township's taxing authority collateralized the bonds.

Marietta Township
Washington County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 11 – Debt (Continued)

The Township executed a promissory note with Kansas State Bank to purchase a Case 580SM Loader/Backhoe. The full faith and credit of the Township is pledged to repay this debt. The equipment purchased collateralizes the promissory note.

The following is a summary of the Township's future annual debt service requirements:

Year	G.O. Bonds		Ohio Public Works		Promissory Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 27,900	\$ 16,927	\$ 2,424	\$ 335	\$ 9,950	\$ 915
2008	29,200	15,638	4,922	597	10,397	468
2009	30,700	14,230	5,021	498		
2010	32,000	12,779	5,122	397		
2011	33,500	11,267	5,225	294		
2012-2016	85,200	38,206	10,766	271		
2017-2021	78,000	20,196				
2022-2023	32,409	2,341				
	<u>\$ 348,909</u>	<u>\$ 131,584</u>	<u>\$ 33,480</u>	<u>\$ 2,392</u>	<u>\$ 20,347</u>	<u>\$ 1,383</u>

Note 12 – Interfund Transfers

During 2006 the following transfers were made:

Transfers from the General Fund to:
Other Governmental Funds \$ 32,784

During 2005 the following transfers were made:

Transfers from the General Fund to:
Other Governmental Funds \$ 15,521

Transfers from the FEMA 2004 Fund to:
Road and Bridge Fund \$ 3,189

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the FEMA Fund to the Road and Bridge Fund was to reimburse the Road and Bridge Fund for expenses incurred before the FEMA money was received.

Note 13 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

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

Marietta Township
Washington County
250 Forshey Road
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marietta Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 21, 2007, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-002.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated June 21, 2007.

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, providing an opinion 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 that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2006-001 through 2006-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 21, 2007.

We intend this report solely for the information and use of the audit committee, management and Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 21, 2007

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005**

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

FINDING NUMBER 2006-001

Noncompliance Citation and Significant Deficiency

Ohio Admin. Code Section 117-2-02(C)(1) states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

At December 31, 2006, estimated receipts as approved by the Budget Commission did not agree to the Township's ledgers as follows:

Fund	Estimated Receipts Per Budget Commission	Amounts Per Township Reports	Variance
General Fund	\$ 222,575	\$ 252,923	\$ 30,348
Road and Bridge	112,662	115,283	2,621
Special Levy .5	58,011	68,011	10,000
Special Levy 1	72,519	82,519	10,000
Lighting	14,793	15,052	259
Backhoe	10,865	21,730	10,865

At April 30, 2006, the Township did not post any estimated receipts to the system resulting in variances in all funds.

At December 31, 2005, estimated receipts as approved by the Budget Commission did not agree to the Township's ledgers as follows:

Fund	Estimated Receipts Per Budget Commission	Amounts Per Township Reports	Variance
General Fund	\$ 158,766	\$ 170,387	\$ 11,621
Special Levy .5	52,139	62,139	10,000
Special Levy 1	66,915	76,915	10,000
Lighting	13,600	17,192	3,592
FEMA 2903	15,946	3,189	(12,757)
FEMA 2904	3,189	15,946	12,757
Settlers Debt Service	(9,837)	19,867	29,704
Park & Recreation	69,233	39,854	(29,379)

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

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

FINDING NUMBER 2006-001 (Continued)

Noncompliance Citation and Significant Deficiency (Continued)

At April 30, 2005, estimated receipts as approved by the Budget Commission did not agree to the Township's ledgers as follows:

Fund	Estimated Receipts Per Budget Commission	Amounts Per Township Reports	Variance
General Fund	\$ 127,814	\$ 145,000	\$ 17,186
Special Levy .5	52,000	62,000	10,000
Special Levy 1	66,500	76,500	10,000
Lighting	13,600	16,186	2,586
Park & Recreation	27,695	10,200	(17,495)

At December 31, 2006, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General Fund	\$ 211,344	\$ 296,784	\$ (85,440)
Motor Vehicle License Tax	20,747	21,256	(509)
Gasoline Tax	102,147	105,056	(2,909)
Road & Bridge	140,610	154,208	(13,598)
Special Levy .5	62,047	68,058	(6,011)
Special Levy 1	76,300	82,519	(6,219)
Permissive Tax	25,521	24,156	1,365
Lighting	19,040	19,392	(352)
Settlers Debt Service	23,876	30,542	(6,666)
Backhoe	10,865	21,730	(10,865)
Park & Recreation	44,344	60,396	(16,052)

At April 30, 2006, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General Fund	\$ 211,344	\$ 213,758	\$ (2,414)

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

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

FINDING NUMBER 2006-001 (Continued)

Noncompliance Citation and Significant Deficiency (Continued)

At December 31, 2005, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
General Fund	\$ 218,921	\$ 257,918	\$ (38,997)
Gasoline Tax	102,974	105,449	(2,475)
Road & Bridge	138,600	150,266	(11,666)
Special Levy .5	62,000	62,139	(139)
Special Levy 1	76,500	76,915	(415)
FEMA 2903	0	3,189	(3,189)
FEMA 2904	0	13,148	(13,148)
National City	27,370	27,857	(487)
Settlers Debt Service	12,000	19,867	(7,867)
Park & Recreation	45,626	65,155	(19,529)
Sisters of St. Joseph Capital Projects	0	10,000	(10,000)

At April 30, 2005, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers as follows:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
Park & Recreation	\$ 45,626	\$ 48,626	\$ (3,000)

Additionally, the original budgeted amounts for the major funds were not posted correctly to the system for the General, Gasoline Tax, Road and Bridge, and Special Levy 1 Funds in 2005.

Due to budgetary information being improperly entered into the system, the management of the Township lost some degree of budgetary control. This also resulted in issues of non-compliance with Ohio Rev. Code, additional audit time, and audit adjustments.

We recommend the Clerk accurately post estimated receipts as certified by the County Budget Commission and appropriations as approved by the Board of Trustees into the computer system and only after receiving approval. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

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

FINDING NUMBER 2006-002

Noncompliance Citation and Significant Deficiency

Ohio Rev. Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources at December 31, 2006, in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
Permissive Sales Tax	\$ 24,156	\$ 25,521	\$(1,365)
Special Levy .5	58,058	62,047	(3,989)
Special Levy 1	72,519	76,300	(3,781)

Appropriations exceeded estimated resources at December 31, 2005, in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
Special Levy .5	\$ 52,139	\$ 62,000	\$(9,861)
Special Levy 1	66,915	76,500	(9,585)

Appropriations exceeded estimated resources at April 30, 2006, in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
Special Levy .5	\$ 52,047	\$ 62,047	\$(10,000)
Special Levy 1	66,300	76,300	(10,000)

Appropriations exceeded estimated resources at April 30, 2005, in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriation Authority</u>	<u>Variance</u>
Special Levy .5	\$ 52,000	\$ 62,000	\$ (10,000)
Special Levy 1	66,500	76,500	(10,000)

This could result in the Township spending more money than is available to spend.

We recommend the Township monitor appropriations and estimated resources to ensure appropriations do not exceed estimated resources.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 AND 2005
(Continued)**

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

FINDING NUMBER 2006-002 (Continued)

Noncompliance Citation and Significant Deficiency (Continued)

Officials' Responses: We did not receive responses from Officials to the findings reported above.



Mary Taylor, CPA
Auditor of State

MARIETTA TOWNSHIP

WASHINGTON 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
AUGUST 28, 2007**