



Mary Taylor, CPA
Auditor of State

MARIETTA TOWNSHIP
WASHINGTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17
Schedule of Prior Audit Findings	20

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

Marietta Township
Washington County
250 Forshey Road
Marietta, Ohio 45750

To the Board of Township Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 12, 2009

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Marietta Township
Washington County
250 Forshey Road
Marietta, Ohio 45750

To the Board of Township Trustees:

We have audited the accompanying financial statements of Marietta Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Marietta Township, Washington County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

During 2007, the Township changed its financial statement presentation method to conform to presentation methods the Auditor of State prescribes or permits.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2009, 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.



Mary Taylor, CPA
Auditor of State

May 12, 2009

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$106,466	\$247,995	\$5,518	\$0	\$359,979
Licenses, Permits, and Fees	37,173	0	0	1,450	38,623
Intergovernmental	91,321	168,810	0	0	260,131
Special Assessments	0	15,940	23,547	0	39,487
Earnings on Investments	559	238	44	98	939
Miscellaneous	628	7,000	2,000	11,567	21,195
Total Cash Receipts	236,147	439,983	31,109	13,115	720,354
Cash Disbursements:					
Current:					
General Government	120,249	13,286	0	19,315	152,850
Public Safety	0	162,667	0	0	162,667
Public Works	39	232,627	0	0	232,666
Health	24,771	0	0	0	24,771
Human Services	246	0	0	0	246
Conservation - Recreation	0	0	0	2,456	2,456
Debt Service:					
Redemption of Principal	0	0	44,568	0	44,568
Interest and Other Fiscal Charges	0	0	15,150	800	15,950
Total Cash Disbursements	145,305	408,580	59,718	22,571	636,174
Total Cash Receipts Over/(Under) Cash Disbursements	90,842	31,403	(28,609)	(9,456)	84,180
Other Financing Receipts / (Disbursements):					
Transfers-In	0	0	13,393	14,197	27,590
Transfers-Out	(27,590)	0	0	0	(27,590)
Advances-In	20,000	20,000	10,865	0	50,865
Advances-Out	(30,865)	(20,000)	0	0	(50,865)
Total Other Financing Receipts / (Disbursements)	(38,455)	0	24,258	14,197	0
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	52,387	31,403	(4,351)	4,741	84,180
Fund Cash Balances, January 1	100,245	164,046	12,410	34,205	310,906
Fund Cash Balances, December 31	\$152,632	\$195,449	\$8,059	\$38,946	\$395,086

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$88,016	\$204,396	\$16,383	\$0	\$308,795
Licenses, Permits, and Fees	42,880	0	0	1,950	44,830
Intergovernmental	64,753	166,997	0	0	231,750
Special Assessments	0	14,774	25,126	0	39,900
Earnings on Investments	1,026	354	115	127	1,622
Miscellaneous	657	5,910	2,825	20,835	30,227
Total Cash Receipts	<u>197,332</u>	<u>392,431</u>	<u>44,449</u>	<u>22,912</u>	<u>657,124</u>
Cash Disbursements:					
Current:					
General Government	123,454	20,697	0	23,314	167,465
Public Safety	0	119,772	0	0	119,772
Public Works	0	231,362	0	0	231,362
Health	34,751	0	0	0	34,751
Human Services	503	0	0	0	503
Conservation - Recreation	0	0	0	2,162	2,162
Capital Outlay	0	5,000	0	20,357	25,357
Debt Service:					
Redemption of Principal	0	0	55,973	0	55,973
Interest and Other Fiscal Charges	0	0	18,212	0	18,212
Total Cash Disbursements	<u>158,708</u>	<u>376,831</u>	<u>74,185</u>	<u>45,833</u>	<u>655,557</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>38,624</u>	<u>15,600</u>	<u>(29,736)</u>	<u>(22,921)</u>	<u>1,567</u>
Other Financing Receipts / (Disbursements):					
Transfers-In	0	0	26,856	27,178	54,034
Transfers-Out	(54,034)	0	0	0	(54,034)
Advances-In	20,000	20,000	0	0	40,000
Advances-Out	(20,000)	(20,000)	0	0	(40,000)
Total Other Financing Receipts / (Disbursements)	<u>(54,034)</u>	<u>0</u>	<u>26,856</u>	<u>27,178</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>(15,410)</u>	<u>15,600</u>	<u>(2,880)</u>	<u>4,257</u>	<u>1,567</u>
Fund Cash Balances, January 1	<u>115,655</u>	<u>148,446</u>	<u>15,290</u>	<u>29,948</u>	<u>309,339</u>
Fund Cash Balances, December 31	<u><u>\$100,245</u></u>	<u><u>\$164,046</u></u>	<u><u>\$12,410</u></u>	<u><u>\$34,205</u></u>	<u><u>\$310,906</u></u>

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Marietta Township, Washington County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with Reno Volunteer Fire Department for fire protection and ambulance services.

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

B. Accounting Basis

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

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

C. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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

Special Levy 1 Fund – This fund receives levy money to use to contract for emergency services.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting (Continued)

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Funds:

National City Bank Bond Fund - This fund receives special assessments that are levied against property owners to repay bonded debt.

Settlers Bank Bond Fund – The Township transfers monies into this fund from the General Fund to repay bonded debt that was acquired to purchase the Reno Elementary School.

4. Capital Projects Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund:

Marietta Township Park and Recreational Fund – This fund receives monies from donations and rentals to make improvements to the Township Recreational Building.

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Property, Plant, and Equipment

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

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits

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

	2008	2007
Demand deposits	\$395,086	\$310,906

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institutions public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$210,123	\$256,147	\$46,024
Special Revenue	460,573	459,983	(590)
Debt Service	63,384	55,367	(8,017)
Capital Projects	50,577	27,312	(23,265)
Total	\$784,657	\$798,809	\$14,152

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$306,382	\$172,895	\$133,487
Special Revenue	601,595	408,580	193,015
Debt Service	75,794	59,718	16,076
Capital Projects	84,747	22,571	62,176
Total	\$1,068,518	\$663,764	\$404,754

3. Budgetary Activity (Continued)

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$197,770	\$217,332	\$19,562
Special Revenue	396,207	412,431	16,224
Debt Service	67,409	71,305	3,896
Capital Projects	56,327	50,090	(6,237)
Total	<u>\$717,713</u>	<u>\$751,158</u>	<u>\$33,445</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$308,661	\$212,742	\$95,919
Special Revenue	532,860	376,831	156,029
Debt Service	82,684	74,185	8,499
Capital Projects	85,648	45,833	39,815
Total	<u>\$1,009,853</u>	<u>\$709,591</u>	<u>\$300,262</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. Debt

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
Special Assessment Bond	\$90,200	4.60%
Park and Recreation Bond	188,359	5.00%
Ohio Public Works Commission Loan	23,635	2.00%
Total	\$302,194	

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 Ohio Public Works Commission 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.

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

	Special Assessment Bond	Park and Recreation Bond	Ohio Public Works Commission Loan
Year ending December 31:			
2009	\$25,249	\$19,018	\$5,518
2010	25,179	18,938	5,518
2011	25,167	18,938	5,518
2012	25,209	19,035	5,518
2013		18,958	5,518
2014-2018		91,420	
2019-2023		77,146	
Total	\$100,804	\$263,453	\$27,590

6. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

7. 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. 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 PEP'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 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

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. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

7. Risk Management (Continued)

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, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, 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 \$8,100. 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>Contributions to OTARMA</u>	
2006	\$10,182
2007	\$8,660
2008	\$8,614

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide 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.

This page intentionally left blank.



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 Township Trustees:

We have audited the financial statements of Marietta Township, Washington County, Ohio (the Township), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated May 12, 2009, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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 finding 2008-001 described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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 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 the significant deficiency described above is not a material weakness.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated May 12, 2009.

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



Mary Taylor, CPA
Auditor of State

May 12, 2009

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Significant Deficiency

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, 2008, appropriations as approved by the Board of Township Trustees did not agree to the Township's ledgers and related financial presentations for the following funds:

<u>Fund</u>	<u>Per Board of Trustees</u>	<u>Per Township Reports</u>	<u>Variance</u>
General	\$306,382	\$279,503	\$26,879
Gasoline Tax	137,166	139,097	(1,931)
Special Levy .5 Mill	67,000	89,891	(22,891)
Spciaal Levy 1 Mill	85,000	103,202	(18,202)

At April 30, 2008, appropriations as approved by the Board of Township Trustees did not agree to the Township's ledgers and related financial presentations for the following funds:

<u>Fund</u>	<u>Per Board of Trustees</u>	<u>Per Township Reports</u>	<u>Variance</u>
General	\$221,259	\$226,111	(\$4,852)
Gasoline Tax	135,351	137,281	(1,930)

At December 31, 2007, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers and related financial presentations for the following funds:

<u>Fund</u>	<u>Appropriations Per Board of Trustees</u>	<u>Amounts Per Township Reports</u>	<u>Variance</u>
General	\$308,661	\$293,425	\$15,236
Motor Vehicle License Tax	41,753	43,406	(1,653)
Gasoline Tax	120,461	130,541	(10,080)
Special Levy .5 Mill	54,889	64,889	(10,000)
Spciaal Levy 1 Mill	69,572	79,572	(10,000)
Marietta Township Park and Recreational	85,648	86,275	(627)

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

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

**FINDING NUMBER 2008-001
(Continued)**

Significant Deficiency (Continued)

At April 30, 2007, appropriations as approved by the Board of Trustees did not agree to the Township's ledgers and related financial presentations for the following fund:

Fund	Appropriations Per Board of Trustees	Amounts Per Township Reports	Variance
Sister of Saint Joseph Charitable	\$ -	\$ 5,000	\$ (5,000)

At December 31, 2008, estimated receipts as certified by the County Budget Commission did not agree to the Township's ledgers for the following funds:

Fund	Estimated Receipts per County Budget Commission	Amounts per Township Reports	Variance
General	\$210,123	\$252,923	(\$42,800)
Motor Vehicle License Tax	45,643	11,059	34,584
Gasoline Tax	86,816	82,035	4,781
Road and Bridge	113,251	115,283	(2,032)
Special Levy .5 Mill	25,580	68,011	(42,431)
Special Levy 1 Mill	79,891	82,519	(2,628)
Permissive Sales Tax	93,202	24,156	69,046
Lighting Assessment	16,190	15,052	1,138
National City Bank Bond	25,000	25,208	(208)
Settlers Bank Bond	22,000	27,665	(5,665)
Backhoe/Loader	10,865	21,730	(10,865)
Marietta Township Park and Recreation	50,577	44,052	6,525

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

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

**FINDING NUMBER 2008-001
(Continued)**

Significant Deficiency (Continued)

At December 31, 2007, estimated receipts as certified by the County Budget Commission did not agree to the Township's ledgers for the following funds:

Fund	Estimated Receipts Per County Budget Commission	Amounts Per Township Reports	Variance
General	\$197,770	\$170,387	\$27,383
Motor Vehicle License Tax	27,212	10,500	16,712
Gasoline Tax	88,660	72,689	15,971
Road and Bridge	111,057	103,866	7,191
FEMA	0	17,936	(17,936)
Special Levy .5 Mill	54,899	62,139	(7,240)
Special Levy 1 Mill	69,572	76,915	(7,343)
Permissive Sales Tax	25,033	24,150	883
Lighting Assessment	14,774	17,192	(2,418)
National City Bank Bond	25,200	25,675	(475)
Settlers Bank Bond	25,825	19,867	5,958
Marietta Township Park and Recreation	56,327	39,854	16,473
Sisters of Saint Joseph Charitable	5,000	10,000	(5,000)

Due to budgetary information being improperly entered into the system, the management of the Township was not able to effectively monitor and report its budgetary vs. actual status throughout the year.

We recommend the Fiscal Officer accurately post appropriations and amended certificates as approved by the Board of Township Trustees and County Budget Commission into the computer system. 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.

Officials' Response: We did not receive a response from Officials to the finding reported above.

**MARIETTA TOWNSHIP
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Ohio Admin. Code Section 117-2-02 (C) (1) - Estimated receipts and appropriations did not agree to the Township ledgers during 2005 and 2006.	No	Not Corrected. Reissued in the Schedule of Findings as Finding Number 2008-001.
2006-002	Ohio Rev. Code Section 5705.39 - Total appropriations exceeded total estimated resources.	No	Partially Corrected. Reissued in the Management Letter.



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
JUNE 16, 2009**