

MARLBORO TOWNSHIP

STARK COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2007 and 2006

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Trustees
Marlboro Township
7344 Edison Street NE
Hartville, Ohio 44632

We have reviewed the *Report of Independent Accountants* of Marlboro Township, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Marlboro Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 15, 2008

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MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2007 and 2006

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Marlboro Township
Stark County
7344 Edison Street, NE
Hartville, Ohio 44632

To the Board of Trustees:

We have audited the accompanying financial statements of Marlboro Township, Stark County, (the Township), as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on a basis of accounting prescribed or permitted by the Auditor of State. 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2007 and 2006. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 and 2006, 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 the Township, as of December 31, 2007 and 2006, and the combined receipts, disbursements, and changes in fund cash balances for the years then ended in conformity with the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 2008, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Charles E. Harris & Associates, Inc.

May 16, 2008

MARLBORO TOWNSHIP
STARK 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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Private-Purpose Trust	
<u>Cash Receipts:</u>						
Local Taxes	\$ 43,055	\$ 678,137	\$ 103	-	-	721,295
Intergovernmental	69,217	192,205	-	-	-	261,422
Licenses, Permits, and Fees	21,908	-	-	-	-	21,908
Fines and Forfeitures	7,268	459	-	-	-	7,727
Special Assessments	-	5,373	-	-	-	5,373
Earnings on Investments	27,048	2,820	-	-	\$ 2,495	32,363
Other	2,593	7,897	-	-	-	10,490
Total Cash Receipts	171,089	886,891	103	-	2,495	1,060,578
<u>Cash Disbursements:</u>						
Current:						
General Government	153,508	10,602	1	-	-	164,111
Public Safety	800	423,830	-	-	-	424,630
Public Works	-	432,137	-	-	-	432,137
Health	20,669	-	-	-	-	20,669
Miscellaneous	-	-	-	-	760	760
Capital Outlay	-	10,246	-	\$ 4,550	-	14,796
Total Cash Disbursements	174,977	876,815	1	4,550	760	1,057,103
Total Receipts Over/(Under) Disbursements	(3,888)	10,076	102	(4,550)	1,735	3,475
<u>Other Financing Sources/(Uses):</u>						
Sales of Fixed Assets	-	16,400	-	-	-	16,400
Transfers In	-	-	-	\$ 4,500	-	4,500
Transfers Out	-	(4,500)	-	-	-	(4,500)
Total Other Financing Sources/(Uses)	-	11,900	-	4,500	-	16,400
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements And Other Financing Uses	(3,888)	21,976	102	(50)	1,735	19,875
Beginning Fund Balance 1/1/07	157,131	581,209	2,933	103,984	74,917	920,174
Ending Fund Balance 12/31/07	\$ 153,243	\$ 603,185	\$ 3,035	\$ 103,934	\$ 76,652	\$ 940,049

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

MARLBORO TOWNSHIP
STARK COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Private-Purpose Trust	
<u>Cash Receipts:</u>						
Local Taxes	\$ 46,059	\$ 736,570	\$ 333	-	-	782,962
Intergovernmental	60,432	123,699	-	-	-	184,131
Licenses, Permits, and Fees	5,107	-	-	-	-	5,107
Fines and Forfeitures	20,723	749	-	-	-	21,472
Special Assessments	-	383	-	-	-	383
Earnings on Investments	25,617	1,565	-	-	\$ 2,456	29,638
Other	3,195	5,931	-	-	-	9,126
Total Cash Receipts	161,133	868,897	333	-	2,456	1,032,819
<u>Cash Disbursements:</u>						
Current:						
General Government	162,789	9,478	2	-	-	172,269
Public Safety	800	408,431	-	-	-	409,231
Public Works	-	338,987	-	-	-	338,987
Health	20,996	-	-	-	-	20,996
Miscellaneous	5	-	-	-	1,040	1,045
Capital Outlay	-	10,788	-	\$ 4,325	-	15,113
Total Cash Disbursements	184,590	767,684	2	4,325	1,040	957,641
Total Receipts Over/(Under) Disbursements	(23,457)	101,213	331	(4,325)	1,416	75,178
<u>Other Financing Sources/(Uses):</u>						
Sales of Fixed Assets	1,500	3,221	-	-	-	4,721
Total Other Financing Sources/(Uses)	1,500	3,221	-	-	-	4,721
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements And Other Financing Uses	(21,957)	104,434	331	(4,325)	1,416	79,899
Beginning Fund Balance 1/1/06	179,088	476,775	\$ 2,602	108,309	73,501	840,275
Ending Fund Balance 12/31/06	\$ 157,131	\$ 581,209	\$ 2,933	\$ 103,984	\$ 74,917	\$ 920,174

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

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Marlboro Township, Stark County (the Township) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, zoning, cemetery maintenance, and police protection. The Township contracts with the Marlboro Volunteer Fire Department to provide fire and emergency medical services.

The Township's management believes the financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

The Township is associated with certain organizations, which are defined as Joint Governed Organizations under Governmental Accounting Standards Board (GASB) Statement No. 14, *Reporting Entity*. These organizations are presented in Notes 8 and 9.

B. BASIS OF ACCOUNTING

The Township prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH AND INVESTMENTS

The Township maintains a general checking account and an overnight repurchase agreement. Repurchase agreements are valued at cost.

Investments are included in the fund cash balances. Accordingly, purchases of investments are not reported as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (continued)

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of “Fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities, reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than for capital projects) that are restricted to expenditures for specific purposes. The Township has the following significant Special Revenue Funds:

- *Road and Bridge Fund* – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.
- *Gasoline Tax Fund* – This fund receives gasoline tax money to pay for construction, maintaining and repairing Township roads.
- *Police District Levy Fund* – This fund receives proceeds from a special tax levy to fund the Township’s police department.
- *Fire District Levy Fund* – This fund receives proceeds from a special tax levy to fund the Township’s fire contract with Marlboro Volunteer Fire Department.
- *Road District levy Fund* – This fund receives proceeds from a special tax levy to fund road construction and maintenance.

Debt Service Fund: This fund is used to accumulate resources for the payment of bonds and notes indebtedness. The Township has the following Debt Service Fund.

- *General Bond Retirement Fund* – This fund accounts for the debt requirements associated with construction of the Township Hall. Construction was completed during 1999.

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

D. FUND ACCOUNTING – (continued)

Governmental Fund Types: - (continued)

Capital Project Funds: This fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities. The Township has the following significant Capital Projects Funds:

- *Land Acquisition Fund* – This is a reserve fund for future acquisition of land by the Township.
- *Road Backhoe and Truck Fund* – This is a reserve fund for future purchase of a backhoe and a truck for the Township.
- *Police Vehicles Fund* – This is a reserve fund for the future purchase of police vehicles for the Township.

Fiduciary Fund Type:

Private-Purpose Trust: This fund is used to account for resources restricted by legally binding trust agreements that are not used for Township functions/purposes. The Township has the following Private-Purpose Trust Fund:

- *Taylor Trust Fund* – This permanent fund was established to maintain the activity of the Taylor Trust Fund. This fund was established in 1875 to provide relief to needy Township residents at Christmas.

E. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus encumbered cash as of January 1. The County Budget Commission must also approve the annual appropriation measure.

**MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

F. BUDGETARY PROCESS – (continued)

3. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

4. Encumbrances

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

A summary of 2007 and 2006 budgetary activity appears in Note 3.

G. PROPERTY, PLANT AND EQUIPMENT

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

H. ACCUMULATED LEAVE

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

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	2007	2006
Demand Deposits	\$ 53,761	\$ 44,174
Repurchase Agreement	886,288	876,000
Total Deposits	\$ 940,049	\$ 920,174

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS – (continued)

Deposits:

The bank balance are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

Investments:

The repurchase agreement is an overnight sweep account reported at cost. The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2007 follows:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 162,633	\$ 171,089	\$ 8,456
Special Revenue	877,034	903,291	26,257
Debt Service	-	103	103
Capital Projects	35,000	4,500	(30,500)
Permanent	1,500	2,495	995

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$ 317,900	\$ 174,977	\$ 142,923
Special Revenue	1,401,679	881,315	520,364
Debt Service	2,933	1	2,932
Capital Projects	143,000	4,550	138,450
Permanent	72,372	760	71,612

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

3. BUDGETARY ACTIVITY – (continued)

Budgetary activity for the year ended December 31, 2006 follows:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 139,265	\$ 162,633	\$ 23,368
Special Revenue	839,760	872,118	32,358
Debt Service	-	333	333
Capital Projects	35,000	-	(35,000)
Permanent	1,500	2,456	956

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$ 305,548	\$ 184,590	\$ 120,958
Special Revenue	1,147,024	767,684	379,340
Debt Service	2,602	2	2,600
Capital Projects	129,000	4,325	124,675
Permanent	73,500	1,040	72,460

4. DEBT

The Township has no debt outstanding in 2006 and 2007.

5. PROPERTY TAX

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as Intergovernmental Receipts.

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

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

5. PROPERTY TAX- (continued)

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

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

6. DEFINED BENEFIT PENSION PLAN

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 9% in 2006 and 9.5 % in 2007 for local employees and 10.1% for law enforcement for both years. For local government employer units the rate was 13.7% in 2006 and 13.85% in 2007 of covered payroll. The Township contributes 16.93% in 2006 and 17.17% in 2007 for Law enforcement employees. The Township has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

The Township is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the years 2007 and 2006, the Township has obtained commercial insurance for the following risks:

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

Settled Claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Township also provides health insurance, dental and vision coverage to full-time employees through a private carrier.

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

8. STARK COUNCIL OF GOVERNMENTS

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of SCOG is not dependent on the Township's continued participation nor does the Township have an equity interest in SCOG. SCOG is not accumulating significant financial resources or experiencing fiscal stress that would cause additional financial benefit or burden to the Township. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio, 44701-1451.

9. STARK COUNTY REGIONAL PLANNING COMMISSION

The Township participates in the Stark County Regional Planning Commission (the Commission), which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County and other cities, villages, and townships. The principle aim of the Commission is to provide comprehensive planning, both long-term and short-term, dealing with the economic and physical environment of Stark County. The Board exercises total authority over the day-to-day operation of the Commission. These include budgeting, appropriating, contracting, and designating management. The Township has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

10. TRANSFERS

The transfers-out of \$4,500 from the Special Revenue Fund-Police District Levy, during 2007, were made to increase reserves for future acquisitions of police vehicles in compliance with the Ohio Revised Code.

11. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

MARLBORO TOWNSHIP
STARK COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

12. PRIOR PERIOD ADJUSTMENT

Auditor of State Bulletin 2005-005 states that local governments that prepare non-GAAP, cash-basis financial statements will be required to reclassify their nonexpendable and expendable trust funds as part of the governmental fund or private-purpose trust categories effective January 1, 2006. The Township had a Non-Expendable Trust Fund which assists needy residents at Christmas. The corpus of the trust must remain intact and only interest can be spent. It was reclassified to a Private-Purpose Trust Fund for the January 1, 2006 balance of \$73,501.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Marlboro Township
Stark County
7344 Edison Street, NE
Hartville, Ohio 44632

To the Board of Trustees:

We have audited the financial statements of Marlboro Township, Stark County, Ohio, (the Township) as and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 16, 2008, wherein we noted the Township follows accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 accounting practices prescribed or permitted by the Auditor of State of Ohio such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated May 16, 2008.

This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.

May 16, 2008

**MARLBORO TOWNSHIP
STARK COUNTY, OHIO
For the Years Ended December 31, 2007 and 2006**

Status of Prior Audit Findings

The prior audit report, for the years ending December 31, 2005 and 2004, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

MARLBORO TOWNSHIP

STARK 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 5, 2008**