

**MARLBORO TOWNSHIP  
STARK COUNTY**

**AUDITED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Marlboro Township  
7344 Edison St.  
Hartville, Ohio 44632

We have reviewed the Independent Auditor's Report of Marlboro Township, Stark County, prepared by Nagel, Weigand & Company, LLC, for the audit period January 1, 2002 to December 31, 2003. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 11, 2004

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**MARLBORO TOWNSHIP  
STARK COUNTY**

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# Nagel, Weigand & Company, LLC

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Marlboro Township  
Hartville, Ohio 44632

We have audited the accompanying financial statements of Marlboro Township, as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of Marlboro 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 the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Township, as of December 31, 2003 and 2002 and the related revenues and expenditures for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2004 on our consideration of Marlboro Township's internal Control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

June 30, 2004

*Nagel, Weigand & Company, LLC*

**MARLBORO TOWNSHIP  
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$ 34,454	\$ 601,597	\$ 34,454	\$ -	\$ -	\$ 670,505
Intergovernmental	107,306	168,652	4,243	-	-	280,201
Special Assessments	-	6,051	-	-	-	6,051
Licenses, Permits, and Fees	9,892	-	-	-	-	9,892
Fines, Forfeitures, and Penalties	5,467	627	-	-	-	6,094
Earnings on Investments	2,374	290	-	-	306	2,970
Other	12,416	6,678	-	-	-	19,094
<b>Total Cash Receipts</b>	<b>171,909</b>	<b>783,895</b>	<b>38,697</b>	<b>-</b>	<b>306</b>	<b>994,807</b>
<b>Cash Disbursements</b>						
Current:						
General Government	153,440	-	-	-	-	153,440
Public Safety	700	376,171	-	-	-	376,871
Public Works	-	315,261	-	-	-	315,261
Health	17,651	-	-	-	-	17,651
Miscellaneous	-	7,511	-	-	1,480	8,991
Capital Outlay	-	-	-	22,208	-	22,208
Debt Service						
Redemption of Principal	-	-	54,714	-	-	54,714
Interest and Fiscal Charges	-	-	5,009	-	-	5,009
<b>Total Cash Disbursements</b>	<b>171,791</b>	<b>698,943</b>	<b>59,723</b>	<b>22,208</b>	<b>1,480</b>	<b>954,145</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>118</b>	<b>84,952</b>	<b>(21,026)</b>	<b>(22,208)</b>	<b>(1,174)</b>	<b>40,662</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In	-	750	-	50,000	-	50,750
Transfers-Out	(25,750)	(25,000)	-	-	-	(50,750)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(25,750)</b>	<b>(24,250)</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(25,632)</b>	<b>60,702</b>	<b>(21,026)</b>	<b>27,792</b>	<b>(1,174)</b>	<b>40,662</b>
<b>Fund Cash Balances, January 1</b>	<b>192,363</b>	<b>258,898</b>	<b>36,526</b>	<b>94,910</b>	<b>74,785</b>	<b>657,482</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 166,731</b>	<b>\$ 319,600</b>	<b>\$ 15,500</b>	<b>\$ 122,702</b>	<b>\$ 73,611</b>	<b>\$ 698,144</b>

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 AND NON-EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Non-Expendable Trust	
<b>Cash Receipts:</b>						
Local Taxes	\$ 34,062	\$ 547,066	\$ 48,277	\$ -	\$ -	\$ 629,405
Intergovernmental	125,369	201,210	5,797	-	-	332,376
Special Assessments	-	5,747	-	-	-	5,747
Licenses, Permits, and Fees	10,834	-	-	-	-	10,834
Fines, Forfeitures, and Penalties	5,544	253	-	-	-	5,797
Earnings on Investments	3,829	425	-	-	578	4,832
Other	17,596	13,564	-	-	-	31,160
<b>Total Cash Receipts</b>	<b>197,234</b>	<b>768,265</b>	<b>54,074</b>	<b>-</b>	<b>578</b>	<b>1,020,151</b>
<b>Cash Disbursements</b>						
Current:						
General Government	148,714	-	-	-	-	148,714
Public Safety	675	359,050	-	-	-	359,725
Public Works	-	311,219	-	-	-	311,219
Health	16,720	-	-	-	-	16,720
Miscellaneous	-	-	-	-	3,040	3,040
Capital Outlay	-	66,410	-	-	-	66,410
Debt Service						
Redemption of Principal	-	-	54,714	-	-	54,714
Interest and Fiscal Charges	-	-	7,416	-	-	7,416
<b>Total Cash Disbursements</b>	<b>166,109</b>	<b>736,679</b>	<b>62,130</b>	<b>-</b>	<b>3,040</b>	<b>967,958</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>31,125</b>	<b>31,586</b>	<b>(8,056)</b>	<b>-</b>	<b>(2,462)</b>	<b>52,193</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In	-	9,248	-	95,000	-	104,248
Transfers-Out	(64,248)	(40,000)	-	-	-	(104,248)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(64,248)</b>	<b>(30,752)</b>	<b>-</b>	<b>95,000</b>	<b>-</b>	<b>-</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(33,123)</b>	<b>834</b>	<b>(8,056)</b>	<b>95,000</b>	<b>(2,462)</b>	<b>52,193</b>
<b>Fund Cash Balances, January 1</b>	<b>225,486</b>	<b>258,064</b>	<b>44,582</b>	<b>(90)</b>	<b>77,247</b>	<b>605,289</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 192,363</b>	<b>\$ 258,898</b>	<b>\$ 36,526</b>	<b>\$ 94,910</b>	<b>\$ 74,785</b>	<b>\$ 657,482</b>

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

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Marlboro Township, Stark County, Ohio (the Township) is a body corporate and politic 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 provides road and bridge maintenance, 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 these financial statements present all activities for which the Township is financially accountable.

The Township is associated with certain organizations which are defined as Jointly 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**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of 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).

These 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 reported as assets. Accordingly, purchases of investments are not recorded 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**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued))**

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or capital projects) that are restricted to expenditure for specific purposes. The Township had 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 constructing, maintaining and repairing Township roads.

**3. Debt Service Funds**

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

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

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**4. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through the enterprise or trust funds). The Township had the following Capital Projects Fund:

*Township Hall Construction Fund* – The Township obtained approval from residents to build a new Township Hall.

**5. Fiduciary Funds (Trust Fund)**

This fund is used to account for the resources restricted by a legally binding trust agreement. The Township had the following fiduciary fund:

*Taylor Trust Fund* – This non-expendable trust 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**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level of control, and appropriations may not exceed estimated resources. The board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**2. Estimated Resources**

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

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. 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.

The Township did not encumber all commitments as required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. 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.

**G. 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 INVESTMENTS**

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

	<u>2003</u>	<u>2002</u>
Demand Deposits	\$ 37,144	\$ 22,482
Repurchase Agreement	<u>661,000</u>	<u>635,000</u>
Total Deposits & Investments	<u>\$ 698,144</u>	<u>\$ 657,482</u>

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**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 years ending December 31, 2003 and 2002 follows:

**2003 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 143,404	\$ 171,909	\$ 28,505
Special Revenue	744,121	784,645	40,524
Debt Service	52,365	38,697	(13,668)
Capital Projects	-	50,000	50,000
Non-Expendable Trust Fund	500	306	(194)
Total	<u>\$ 940,390</u>	<u>\$ 1,045,557</u>	<u>\$ 105,167</u>

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 250,000	\$ 197,541	\$ 52,459
Special Revenue	848,550	723,943	124,607
Debt Service	60,000	59,723	277
Capital Projects	25,000	22,208	2,792
Non-Expendable Trust Fund	5,000	1,480	3,520
Total	<u>\$ 1,188,550</u>	<u>\$ 1,004,895</u>	<u>\$ 183,655</u>

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 148,197	\$ 197,234	\$ 49,037
Special Revenue	716,960	777,513	60,553
Debt Service	51,388	54,074	2,686
Capital Projects	-	95,000	95,000
Non-Expendable Trust Fund	2,000	578	(1,422)
Total	<u>\$ 918,545</u>	<u>\$ 1,124,399</u>	<u>\$ 205,854</u>

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 373,594	\$ 230,357	\$ 143,237
Special Revenue	975,024	776,680	198,344
Debt Service	95,969	62,130	33,839
Capital Projects	-	-	-
Non-Expendable Trust Fund	79,247	3,040	76,207
Total	<u>\$ 1,523,834</u>	<u>\$ 1,072,207</u>	<u>\$ 451,627</u>

**4. PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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.

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. PROPERTY TAXES (Continued)**

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.

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

**5. DEBT**

Debt Outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
1998 - Township Building Bond	\$54,715	4.59%

The Township Building Bond was issued to finance the cost of constructing, furnishing, equipping and improving a Township building and its site. Construction was completed during 1999. Township residents approved a tax levy on November 4, 1997, to pay for the principal and interest of this note.

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

	<b>Township Building Bond</b>
Year Ending December 31:	
2004	\$ 57,225
Total	\$ 57,225

**6. RETIREMENT SYSTEM**

All Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. RETIREMENT SYSTEM (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of the participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

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

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

**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 the SCOG is not dependent on the Township's continued participation nor does the Township have an equity interest in the 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.

**MARLBORO TOWNSHIP  
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002  
(Continued)**

**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 operations 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. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustments by the grantor. Any disallowed costs may require refunding to the grantor. Amounts that may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refund, if any, would not be material.

# Nagel, Weigand & Company, LLC

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Marlboro Township  
Hartville, Ohio 44632

We have audited the financial statements of Marlboro Township as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 30, 2004. 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.

### **Compliance**

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, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 30, 2004.

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

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurances on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matter coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-01.

**Marlboro Township  
Stark County**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. We noted no matters involving control over financial reporting and its operations that we considered to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Township in a separate letter dated June 30, 2004.

This report is intended for the information and use of the audit committee, management, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

June 30, 2004

*Nagel, Weigand & Company, LLC*

**MARLBORO TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Marlboro Township.
2. One reportable condition was disclosed during the audit of Marlboro Township's financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**Finding 2003-01**

It was noted during testing that the Zoning Inspector writes receipts for zoning fees from at least three (3) different receipt books. When the receipts are turned in to the Township Clerk for posting, the receipt numbers are in no type of sequential order. Since there is such a variety of receipt numbers and locations of collection, it is difficult to track whether the receipts were properly deposited. To remedy the situation, we recommend that the Township ceases using its current Zoning receipt books and begin using just one receipt book for all zoning fees. Also, zoning fees should only be collected at the Township Offices by the Zoning Inspector and/or the Township Administrative Assistant. Citizens should come into the Township Offices to pay their zoning fees instead of paying the Zoning Inspector at their site.

**MARLBORO TOWNSHIP  
STARK COUNTY**

**GENERAL COMMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

This report, including the citations and recommendations, was reviewed with and acknowledged by the following officials on June 30, 2004:

Peter Brelish

Clerk

These officials were informed that they had five working days for the Auditor of State from the date of the post audit conference to respond to, or contest, in writing, the report contents.

Township personnel were cooperative and available for questions and assistance during regular working hours.



**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**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 31, 2004**