



HUNTINGTON TOWNSHIP, ROSS COUNTY

Regular Audit

For the Years Ended December 31, 2006 and 2005

J.L. UHRIG
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





Mary Taylor, CPA

Auditor of State

Board of Trustees
Huntington Township
8355 Blain Highway
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of Huntington Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Huntington Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 18, 2007

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HUNTINGTON TOWNSHIP, ROSS COUNTY
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Independent Auditor's Report

Board of Trustees
Huntington Township, Ross County
8355 Blain Highway
Chillicothe, OH 45601

We have audited the accompanying financial statements of Huntington Township, Ross County (the Township) as of and for the years ended December 31, 2006 and 2005. 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 of America. 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 described more fully in Note 2, the Township 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. 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 for the years ended December 31, 2006 and 2005 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, 2006 and 2005, or its changes in financial position for the years then ended.

Board of Trustees
Huntington Township, Ross County
Independent Auditor's Report

Also, in our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2006 and 2005. 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 29, 2007 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. While we do 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* and should be read in conjunction with this report when considering the results of our audit.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 29, 2007

HUNTINGTON TOWNSHIP, ROSS 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			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<u>Cash Receipts:</u>				
Local Taxes	\$48,300	\$232,502	\$33,779	\$314,581
Intergovernmental	51,646	160,946	0	212,592
Charges for Services	0	3,800	0	3,800
Earnings on Investments	644	198	0	842
Other Revenue	171	6,484	0	6,655
Total Cash Receipts	100,761	403,930	33,779	538,470
<u>Cash Disbursements:</u>				
<i>Current:</i>				
General Government	\$94,614	\$0	\$0	\$94,614
Public Safety	0	92,252	0	92,252
Public Works	10,929	274,758	0	285,687
Health	0	6,209	0	6,209
<i>Debt Service:</i>				
Redemption of Principal	0	0	30,496	30,496
Interest and Fiscal Charges	\$0	0	3,031	3,031
Capital Outlay	150	20,094	0	20,244
Total Cash Disbursements	105,693	393,313	33,527	532,533
Total Cash Receipts Over/(Under) Cash Disbursements	(4,932)	10,617	252	5,937
Fund Cash Balances, January 1	16,164	95,446	0	111,610
<i>Fund Cash Balances, December 31</i>	<u>\$11,232</u>	<u>\$106,063</u>	<u>\$252</u>	<u>\$117,547</u>
Reserve for Encumbrances, December 31	<u>\$1,950</u>	<u>\$8,707</u>	<u>\$0</u>	<u>\$10,657</u>

See accompanying notes to the financial statements.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2005

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Cash Receipts:</u>					
Local Taxes	\$46,594	\$239,275	\$137,362	\$0	\$423,231
Intergovernmental	58,566	172,274	0	18,750	249,590
Charges for Services	0	6,200	0	0	6,200
Earnings on Investments	693	139	0	0	832
Other Revenue	92	13,606	0	0	13,698
Total Cash Receipts	105,945	431,494	137,362	18,750	693,551
<u>Cash Disbursements:</u>					
<i>Current:</i>					
General Government	100,576	0	0	0	100,576
Public Safety	0	85,376	0	0	85,376
Public Works	50	246,560	0	0	246,610
Health	0	2,672	0	0	2,672
<i>Debt Service:</i>					
Redemption of Principal	0	20,000	130,835	0	150,835
Interest and Fiscal Charges	0	0	6,527	0	6,527
Capital Outlay	0	135,931	0	18,750	154,681
Total Cash Disbursements	100,626	490,539	137,362	18,750	747,277
Total Cash Receipts Over/(Under) Cash Disbursements					
Other Financing Sources (Uses)	5,319	(59,045)	0	0	(53,726)
<u>Other Financing Sources (Uses):</u>					
Issuance of Notes	0	52,487	0	0	52,487
Transfers In	0	4,189	0	0	4,189
Transfers Out	0	(4,189)	0	0	(4,189)
Total Other Financing Sources (Uses)	0	52,487	0	0	0
Total Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements and Other Financing (Uses)	5,319	(6,558)	0	0	(1,239)
Fund Cash Balances, January 1	10,845	102,004	0	0	112,849
Fund Cash Balances, December 31	\$16,164	\$95,446	\$0	\$0	\$111,610
Reserve for Encumbrances, December 31	\$1,409	\$6,321	\$0	\$0	\$7,730

See accompanying notes to the financial statements.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

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

The Township provides general government services, maintenance of Township roads and bridges, maintenance of cemeteries, fire protection and emergency medical services.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Township's 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. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Fund Accounting

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

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than trusts or for 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 personal property tax money for maintaining and repairing Township roads and bridges.

Fire Fund – This fund receives personal property tax money to provide fire fighting services to the Township.

Gasoline Tax Fund – This fund is comprised of taxes on the sale of gasoline which is distributed to the Township based upon road mileage determined by the state, and used for the repair and maintenance of Township roads.

Debt Service Fund: This fund accounts for resources the Township accumulates to pay note debt. The Township had the following Debt Service Fund:

Miscellaneous Debt Service Fund - This fund receives property tax money to retire the debt the Township has incurred.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

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 Funds:

Issue II Fund - The Township received a grant from the State of Ohio to repair and maintain Township roads.

Natural Resources Conservation Service Fund - The Township received funding to assist in repair and maintenance of the water shed in the Township.

Budgetary Process

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

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 Ross County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

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

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

A summary of 2006 and 2005 budgetary activity appears in Note 4.

Property, Plant and Equipment

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

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.

Note 3 – Cash and Investments

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Township had no investments at year end. The carrying amount of cash at year end was as follows:

	December 31, 2006	December 31, 2005
Demand Deposits	<u>\$117,547</u>	<u>\$111,610</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 4 – Budgetary Basis of Accounting

The Township’s budgetary activity for the years ending December 31, 2006 and December 31, 2005 was as follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$101,319	\$100,761	(\$558)
Special Revenue	394,549	403,930	9,381
Debt Service	33,779	33,779	0
Capital Projects	34,400	0	(34,400)
<i>Total</i>	<u>\$564,047</u>	<u>\$538,470</u>	<u>(\$25,577)</u>

2006 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$115,484	\$107,643	\$7,841
Special Revenue	482,998	402,020	80,978
Debt Service	33,779	33,527	252
Capital Projects	34,400	0	34,400
<i>Total</i>	<u>\$666,661</u>	<u>\$543,190</u>	<u>\$123,471</u>

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 4 – Budgetary Basis of Accounting - (Continued)

2005 Budgeted vs. Actual Receipts

Fund Type	Receipts		
	Budgeted	Actual	Variance
General	\$105,815	\$105,945	\$130
Special Revenue	413,973	435,683	21,710
Debt Service	137,362	137,362	0
Capital Projects	18,750	18,750	0
<i>Total</i>	<u>\$675,900</u>	<u>\$697,740</u>	<u>\$21,840</u>

2005 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$116,661	\$102,035	\$14,626
Special Revenue	515,976	496,860	19,116
Debt Service	137,362	137,362	0
Capital Projects	18,750	18,750	0
<i>Total</i>	<u>\$788,749</u>	<u>\$755,007</u>	<u>\$33,742</u>

Note 5- Debt

Debt outstanding at December 31, 2006 was as follows:

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-05	Issued in 2006	Retired In 2006	Principal Balance 12-31-06
Fire Truck	2004	3.87%	\$38,920	\$0	\$20,000	\$18,920
Squad	2005	3.99%	<u>52,487</u>	<u>0</u>	<u>10,496</u>	<u>41,991</u>
			<u>\$91,407</u>	<u>\$0</u>	<u>\$30,496</u>	<u>\$60,911</u>

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 5- Debt - (Continued)

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-04	Issued in 2005	Retired In 2005	Principal Balance 12-31-05
Fire Truck	2004	3.87%	\$80,000	\$0	\$41,080	\$38,920
Fire Station	2000	5.63%	73,616	0	73,616	0
Fire Equipment	2000	5.63%	36,319	0	36,139	0
Squad	2005	3.99%	0	52,487	0	52,487
			<u>\$189,755</u>	<u>452,487</u>	<u>\$150,835</u>	<u>\$91,407</u>

The Township obtained a note in order to purchase a fire station in 2000. The remainder of the note will be repaid in annual installments of \$76,711 including interest. The note was fully paid in 2005.

The Township obtained a note in order to purchase fire equipment in 2000. The note is to be repaid in annual installments of \$37,688, including interest. The note was fully paid in 2005.

The Township obtained a fire truck in 2003. The note will be repaid in annual installments of \$21,887 for principal and interest.

The Township obtained a note in the amount of \$52,487 to purchase a squad vehicle in 2005. The note will be repaid in annual installments of \$5,248 for principal and any interest accrued on the outstanding balance at 3.99%.

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

Year ending December 31:	Fire Truck	Squad
2007	\$21,887	\$12,067
2008	0	11,652
2009	0	11,230
2010	0	10,810
Total	<u>\$21,887</u>	<u>\$45,759</u>

Note 6- Property Taxes

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by 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 semi-annual payments, the first half is due December 31, and 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 April 30.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 6 – Property Taxes – (Continued)

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

The full tax rate for all Township operations for the years ended December 31, 2006, was 6.00 and 2005 was 9.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were based are as follows:

	2006	2005
Real Property		
Residential	\$10,388,470	\$10,060,200
Agricultural	35,712,420	34,172,690
Commercial/Industrial/Mineral	646,530	681,270
Tangible Personal Property	406,470	673,810
Public Utility	3,554,790	3,515,050
Total Assessed Value	\$50,708,680	\$49,643,020

Note 7 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006 and 2005, the Township contracted for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Ohio Government Risk Management Plan	General Liability	\$1,000,000
	Wrongful Acts	1,000,000
	Legal Liability	1,000,000
	Vehicle	1,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 8 – Retirement Systems

A. Ohio Public Employees Retirement System

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

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 8 – Retirement Systems- (Continued)

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

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

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 13.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2006 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 13.55 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$9,172, \$9,804, and \$7,747, respectively. The full amount has been contributed for 2006, 2005 and 2004. Contributions to the member-directed plan for 2006 were \$13,658 and for 2005 were \$13,911.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

HUNTINGTON TOWNSHIP, ROSS COUNTY
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 9 - Postemployment Benefits – (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

At December 31, 2006, the number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions which were used to fund postemployment benefits for 2006 were \$4,486 and for 2005 were \$4,107. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards**

Board of Trustees
Huntington Township, Ross County
8335 Blain Highway
Chillicothe, OH 45601

We have audited the accompanying financial statements of Huntington Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated May 29, 2007, wherein we noted that the Township followed 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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.

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.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Huntington Township, Ross County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

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 and grants, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the Township's management in a separate letter dated May 29, 2007.

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

May 29, 2007

HUNTINGTON TOWNSHIP, ROSS COUNTY
Schedule of Prior Audit Findings
For the Years Ended December 31, 2006 and 2005

Finding Number	Description	Status	Comments
<i>Government Auditing Standards:</i>			
2004-001	The Township did not ensure funds were certified at the time of the obligation through the issuance of a purchase order containing appropriate certification , the use of then and now certificates or so-called blanket or super blanket certificates.	Corrected	N/A



Mary Taylor, CPA
Auditor of State

HUNTINGTON TOWNSHIP

ROSS 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
JULY 31, 2007**