



VINTON TOWNSHIP, VINTON 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
Vinton Township
35020 Union Ridge Road
Albany, Ohio 45710

We have reviewed the *Independent Auditor's Report* of Vinton Township, Vinton 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. Vinton 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

September 7, 2007

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VINTON TOWNSHIP, VINTON COUNTY
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Independent Auditor's Report

Board of Trustees
Vinton Township, Vinton County
35020 Union Ridge Road
Albany, OH 45710

We have audited the accompanying financial statements of Vinton Township, Vinton 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
Vinton Township, Vinton 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 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 July 19, 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.

July 19, 2007

VINTON TOWNSHIP, VINTON 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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<u>Cash Receipts:</u>			
Local Taxes	\$16,736	\$12,145	\$28,881
Intergovernmental	10,962	88,606	99,568
Earnings on Investments	276	270	546
Other Revenue	225	0	225
Total Cash Receipts	<u>28,199</u>	<u>101,021</u>	<u>129,220</u>
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	19,425	8,935	28,360
Public Safety	0	2,000	2,000
Public Works	0	98,831	98,831
Health	5,647	0	5,647
Human Services	0	185	185
Capital Outlay	0	3,000	3,000
Total Cash Disbursements	<u>25,072</u>	<u>112,951</u>	<u>138,023</u>
Total Cash Receipts Over/(Under) Cash Disbursements	3,127	(11,930)	(8,803)
<u>Other Financing Sources (Uses):</u>			
Advances-In	0	3,769	3,769
Advances-Out	(3,769)	0	(3,769)
Other Financing Sources	1,352	0	1,352
Total Other Financing Sources (Uses)	<u>(2,417)</u>	<u>3,769</u>	<u>1,352</u>
Excess of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Uses	710	(8,161)	(7,451)
Fund Cash Balances, January 1	<u>16,291</u>	<u>72,820</u>	<u>89,111</u>
Fund Cash Balances, December 31	<u><u>\$17,001</u></u>	<u><u>\$64,659</u></u>	<u><u>\$81,660</u></u>

See accompanying notes to the financial statements.

VINTON TOWNSHIP, VINTON 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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<u>Cash Receipts:</u>			
Local Taxes	\$14,586	\$11,486	\$26,072
Intergovernmental	10,478	90,711	101,189
Earnings on Investments	205	338	543
Other Revenue	1,125	0	1,125
Total Cash Receipts	26,394	102,535	128,929
<u>Cash Disbursements:</u>			
<i>Current:</i>			
General Government	19,517	11,095	30,612
Public Safety	0	2,500	2,500
Public Works	0	86,096	86,096
Health	2,336	0	2,336
<i>Debt Service:</i>			
Redemption of Principal	3,000	9,827	12,827
Interest and Fiscal Charges	0	850	850
Capital Outlay	1,003	1,766	2,769
Total Cash Disbursements	25,856	112,134	137,990
Total Cash Receipts Over/(Under) Cash Disbursements	538	(9,599)	(9,061)
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	19	0	19
Total Other Financing Sources (Uses)	19	0	19
Excess of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Uses	557	(9,599)	(9,042)
Fund Cash Balances, January 1	15,734	82,419	98,153
Fund Cash Balances, December 31	\$16,291	\$72,820	\$89,111

See accompanying notes to the financial statements.

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

Note 1 – Reporting Entity

Vinton Township, Vinton 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 and maintenance of cemeteries. The Township contracts with Hamden Fire Department to provide fire 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:

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

Motor Vehicle License Tax Fund – This fund receives motor vehicle license tax money to pay for constructing, maintaining and repairing Township roads and bridges.

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 Vinton County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

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

Note 2 – Summary of Significant Accounting Policies – (Continued)

Estimated Resources: Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The Vinton 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:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Demand Deposits	<u>\$81,660</u>	<u>\$89,111</u>

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

VINTON TOWNSHIP, VINTON 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	\$30,288	\$28,199	(\$2,089)
Special Revenue	163,920	101,021	(62,899)
<i>Total</i>	<u>\$194,208</u>	<u>\$129,220</u>	<u>(\$64,988)</u>

2006 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,288	\$28,841	\$1,447
Special Revenue	163,740	112,951	50,789
<i>Total</i>	<u>\$194,028</u>	<u>\$141,792</u>	<u>\$52,236</u>

2005 Budgeted vs. Actual Receipts

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$26,669	\$26,394	(\$275)
Special Revenue	89,100	102,535	13,435
<i>Total</i>	<u>\$115,769</u>	<u>\$128,929</u>	<u>\$13,160</u>

2005 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$42,403	\$25,856	\$16,547
Special Revenue	171,520	112,134	59,386
<i>Total</i>	<u>\$213,923</u>	<u>\$137,990</u>	<u>\$75,933</u>

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

Note 5- Debt

Debt outstanding at December 31, 2005 was as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Principal Balance 12-31-04</u>	<u>Issued in 2005</u>	<u>Retired in 2005</u>	<u>Principal Balance 12-31-05</u>
Tractor	3.75%	\$12,827	0	\$12,827	\$0

The John Deere tractor loan was obtained in 2001 for 5 years. The loan was fully repaid in 2005.

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.

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

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:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Ohio Government Risk Management Plan	General Liability	\$2,000,000
	Wrongful Acts	2,000,000
	Vehicle	2,000,000

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

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

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

Note 7 – Risk Management – (Continued)

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA’s retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

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

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members’ total insurable value. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

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

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with the generally accepted accounting principles, and reported the following assets, liabilities and retained earning at December 31, 2005 and 2004 (latest information available):

<u>Casualty Coverage</u>	2005	2004
Assets	\$30,485,638	\$28,132,620
Liabilities	(12,344,576)	(11,086,379)
Retained Earnings	\$18,141,062	\$17,046,241

<u>Property Coverage</u>	2005	2004
Assets	\$9,177,796	\$7,558,343
Liabilities	(1,406,031)	(543,176)
Retained Earnings	\$7,771,765	\$7,045,167

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

Note 7 – Risk Management – (Continued)

At December 31, 2005 and 2004, respectively, casualty coverage liabilities noted above include approximately \$11.6 million and \$10.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$11,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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

Township Contributions to OTARMA

2004	\$2,838
2005	2,866
2006	3,778

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

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.

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.

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

Note 8 – Retirement Systems – (Continued)

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, 2005, 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 2005 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 \$5,089, \$3,889, and \$3,212, respectively. The full amount has been contributed for 2006, 2005 and 2004. Contributions to the member-directed plan for 2006 were \$7,579 and for 2005 were \$5,518.

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.

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.

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

Note 9 - Postemployment Benefits – (Continued)

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 \$2,489 and for 2005 were \$1,629. 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
Vinton Township, Vinton County
35020 Union Ridge
Albany, OH 45710

We have audited the accompanying financial statements of Vinton Township, Vinton County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 19, 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.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the deficiency described as item 2006-01 in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

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

Board of Trustees
Vinton Township, Vinton County
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the deficiency in internal control over financial reporting described above is a material weakness.

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 July 19, 2007.

This report is solely 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.

July 19, 2007

VINTON TOWNSHIP, VINTON COUNTY
Schedule of Findings and Responses
For the Year Ended December 31, 2006 and 2005

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

Finding Number 2006-01

During our audit we found that the Township did not properly record revenue received from the State and County Auditor. We were able to verify that the Township received all revenue reported on the State and County Auditor Distribution List. We found the Township does not properly use the classifications specified for the revenue received or consistently use the correct fund in recording the revenue.

During our testing, we found tax and intergovernmental revenue that was recorded in the incorrect funds, which caused fund cash balances to be misstated. Below shows the funds and amounts by which each were misstated:

Fund	2005	2006
General	(\$3,062)	(\$13,393)
Motor Vehicle License	(3,210)	861
Gasoline Tax	846	9,190
Garbage and Waste Disposal	4,034	4,609
Fire District	1,392	(1,267)

The Township should record all receipts in the proper fund and revenue account based on the classifications specified and be more consistent in recording revenue received from the State and County Auditor. We verified that the Township has corrected the cash balances in these funds in their UAN system during this audit.

Officials Response

The proposed adjustments to the General, Motor Vehicle License, Gasoline Tax, Garbage and Waste Disposal, and Fire District Funds for both years have been made to the Township's UAN system and financial statements during the audit. The Fiscal Officer plans to review supporting documentation more thoroughly prior to entering receipts into the computer system.

VINTON TOWNSHIP, VINTON 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 then and now certificates.	Corrected	N/A
2004-002	The Township's annual appropriations exceeded the total available revenue in the General and Special Revenue Fund.	Corrected	N/A

VINTON TOWNSHIP, VINTON COUNTY
Corrective Action Plan
For the Years Ended December 31, 2006 and 2005

Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2006-001	The Township plans to better review the support for the receipts as they are entered into computer system and properly use the classifications specified and consistently use the correct fund for the revenue received from the State and County Auditor.	Immediately	Tami Bay, Fiscal Officer



Mary Taylor, CPA
Auditor of State

VINTON TOWNSHIP

VINTON 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
SEPTEMBER 20, 2007