



**HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2007



Mary Taylor, CPA
Auditor of State

HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Huntington Local School District
Ross County
188 Huntsman Road
Chillicothe, Ohio 45601

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Huntington Local School District, Ross County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Huntington Local School District, Ross County, Ohio, as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Districts basic financial statements. The federal awards receipts and expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards receipts and expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

January 18, 2008

HUNTINGTON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007 (Unaudited)

The discussion and analysis of the Huntington Local School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- ▶ The assets of Huntington Local School District exceeded its liabilities at June 30, 2007 by \$17,882,244. Of this amount, \$13,661,805 represents capital assets, net of related debt and net asset amounts restricted for specific purposes. The remaining \$4,220,439 represents unrestricted net assets.
- ▶ In total, net assets of governmental activities decreased by \$415,751, which represents a 2.27 percent decrease from 2006.
- ▶ General revenues accounted for \$9,763,857 or 82.42 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,082,714 or 17.58 percent of total revenues of \$11,846,571.
- ▶ The District had \$12,262,322 in expenses related to governmental activities; only \$2,082,714 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$9,763,857 along with cash balances from the prior year were used to provide for the remainder of these programs.
- ▶ The District recognizes one major governmental fund: the General Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$9,591,490 in revenues and \$9,808,987 in expenditures in fiscal year 2007.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Huntington Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
(Unaudited)*

Reporting the District as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The statement of net assets and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The statement of activities presents information showing how the District's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the General Fund.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
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(Unaudited)*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of three categories: governmental, proprietary and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Fund

The District's only proprietary fund is an internal service fund. Since the internal service fund operates on a break-even, cost-reimbursement basis, the District reports it as a proprietary fund using the full accrual basis of accounting. Since the internal service fund exclusively benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.

Fiduciary Funds

The District's fiduciary funds are a private purpose trust fund and an agency fund. All of the District's fiduciary funds are reported in a separate statement of fiduciary net assets. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
(Unaudited)*

Government-Wide Financial Analysis

Recall that the statement of net assets provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for fiscal year 2007 compared to fiscal year 2006:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2007	Restated 2006
<u>Assets:</u>		
Current and Other Assets	\$7,781,777	\$8,180,254
Capital Assets, Net	14,157,750	14,367,519
<i>Total Assets</i>	<u>21,939,527</u>	<u>22,547,773</u>
<u>Liabilities:</u>		
Long-Term Liabilities	1,529,227	1,651,767
Other Liabilities	2,528,056	2,598,011
<i>Total Liabilities</i>	<u>4,057,283</u>	<u>4,249,778</u>
<u>Net Assets:</u>		
Invested in Capital Assets, Net of Related Debt	13,219,371	13,332,736
Restricted	442,434	394,800
Unrestricted	4,220,439	4,570,459
<i>Total Net Assets</i>	<u>\$17,882,244</u>	<u>\$18,297,995</u>

Current and other assets decreased \$398,477 from fiscal year 2006 due to a decrease in cash and cash equivalents, due primarily to the District having increased spending above the fiscal year 2006 level. Capital assets decreased by \$209,769 or 1.4 percent, due to current year depreciation expense exceeding additions.

Current (other) liabilities decreased by \$69,955 or 2.7 percent. This is primarily due to a decrease in claims payable.

Long-term liabilities decreased by \$122,540 or 7.4 percent due to the debt payments made.

The District's largest portion of net assets is related to amounts invested in capital assets, net of related debt. This accounts for 73.9 percent of net assets. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
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(Unaudited)*

The District's next largest portion of net assets is unrestricted net assets. This accounts for 23.6 percent of net assets. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$442,434 or 2.5 percent is restricted. The restricted net assets are subject to external restrictions on how they may be used.

Table 2 shows the changes in net assets for fiscal year 2007 and provides a comparison to fiscal year 2006.

Table 2
Changes in Net Assets

	Governmental Activities	
	2007	2006
<u>Revenues:</u>		
<i>Program Revenue:</i>		
Charges for Services and Sales	\$346,583	\$353,121
Operating Grants and Contributions	1,736,131	1,806,584
Capital Grants and Contributions	0	37,633
<i>General Revenue:</i>		
Property Taxes	1,111,677	1,119,143
Unrestricted Grants and Entitlements	8,287,381	8,167,577
Investment Earnings	252,212	209,053
Miscellaneous	112,587	81,842
<i>Total Revenues</i>	<u>11,846,571</u>	<u>11,774,953</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	5,972,382	6,482,968
Special	1,677,647	992,107
Vocational	4,867	23,208
Adult/Continuing	55,423	63,668

(Continued)

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
(Unaudited)*

Table 2
Changes in Net Assets
(Continued)

	<u>2007</u>	<u>2006</u>
<i>Support Services:</i>		
Pupils	301,769	332,677
Instructional Staff	215,630	223,853
Board of Education	30,878	21,245
Administration	746,722	785,428
Fiscal	411,953	479,042
Operation and Maintenance of Plant	1,178,546	1,017,100
Pupil Transportation	810,368	777,288
<i>Operation of Non-Instructional Services:</i>		
Food Service	504,070	477,703
Other	10,454	0
Extracurricular Activities	287,666	295,753
Interest and Fiscal Charges	<u>53,947</u>	<u>63,689</u>
<i>Total Expenses</i>	<u>12,262,322</u>	<u>12,035,729</u>
<i>Change in Net Assets</i>	(415,751)	(260,776)
Net Assets – Beginning of Year	<u>18,297,995</u>	<u>18,558,771</u>
Net Assets – End of Year	<u><u>\$17,882,244</u></u>	<u><u>\$18,297,995</u></u>

The most significant program expenses for the District are Regular Instruction, Operation and Maintenance of Plant, Administration, Special Instruction, and Pupil Transportation. These programs account for 84.7 percent of the total governmental activities. Regular Instruction, which accounts for 48.7 percent of the total, represents costs associated with providing general educational services. Operation and Maintenance of Plant, which represents 9.6 percent of the total, represent costs associated with operating and maintaining the District's facilities. Administration, which represents 6.1 percent of the total, represents costs associated with the overall administrative responsibility for each building and the District as a whole. Special Instruction, which represents 13.7 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Pupil Transportation, which represents 6.6 percent of the total, represents costs associated with providing transportation services for student between home and school and to school activities.

Total program revenues decreased \$114,624 or 5.22 percent. This decrease is primarily due to a decrease in unrestricted grants and entitlements.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
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(Unaudited)*

The majority of the funding for the most significant programs indicated above is from property taxes and grants and entitlements not restricted for specific programs. Property taxes and grants and entitlements not restricted for specific programs accounts for 79.34 percent of total revenues.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 9.38 percent and intergovernmental revenue made up 84.61 percent of the total revenue for the governmental activities in fiscal year 2007.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District's intergovernmental revenue consists primarily of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2007, the District received \$7,178,827 through the State's foundation program, which represents 60.6 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current levels of service.

Instruction accounts for 62.88 percent of governmental activities program expenses. Support services expenses make up 30.14 percent of governmental activities expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2007 compared with fiscal year 2006. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

HUNTINGTON LOCAL SCHOOL DISTRICT
Management's Discussion and Analysis
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Table 3
Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006
<i>Program Expenses:</i>				
Instruction	\$7,710,319	\$6,184,625	\$7,561,951	\$6,015,809
Support Services	3,695,866	3,694,523	3,636,633	3,579,014
Operation of Non-Instructional Services	514,524	72,928	477,703	18,403
Extracurricular Activities	287,666	173,585	295,753	161,476
Interest and Fiscal Charges	53,947	53,947	63,689	63,689
Total Expenses	<u>\$12,262,322</u>	<u>\$10,179,608</u>	<u>\$12,035,729</u>	<u>\$9,838,391</u>

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$11,862,680 and expenditures and other financing uses of \$12,087,260.

The fund balances of the total governmental funds decreased by \$224,580. The decrease in fund balance for the year was most significant in the General Fund, which decreased by \$219,999 during fiscal year 2007. The General Fund decrease is the result of increased expenditures.

The District should remain stable in fiscal years 2008 and 2009. However, projections beyond fiscal year 2009 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a cash basis for receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2007, the District amended its General Fund budget two times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
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For the General Fund, the final budget basis revenue was \$9,681,990, representing a decrease of \$593,105 from the original budget estimates of \$10,275,095. The final budget basis expenditures were \$11,343,079 representing an increase of \$44,593 from the original budget basis expenditures of \$11,298,486.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the District had \$26,447,689 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles, of which all was in governmental activities. That total carries an accumulated depreciation of \$12,289,939. Table 4 shows fiscal year 2007 balances compared to fiscal year 2006.

Table 4
Capital Assets & Accumulated Depreciation at June 30, 2007

	<u>Governmental Activities</u>	
	2007	2006
<i>Nondepreciable Capital Assets:</i>		
Land	\$769,307	\$369,307
<i>Depreciable Capital Assets:</i>		
Land Improvements	1,145,183	1,145,183
Buildings and Improvements	20,786,737	20,775,764
Furniture, Fixtures and Equipment	2,628,561	2,604,981
Vehicles	1,117,901	1,046,416
<i>Total Capital Assets</i>	<u>26,447,689</u>	<u>25,941,651</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	828,096	867,749
Buildings and Improvements	8,727,155	8,199,720
Furniture, Fixtures and Equipment	1,935,368	1,768,670
Vehicles	799,320	737,993
<i>Total Accumulated Depreciation</i>	<u>12,289,939</u>	<u>11,574,132</u>
Capital Assets, Net	<u>\$14,157,750</u>	<u>\$14,367,519</u>

As stated previously, total capital assets net of accumulated depreciation decreased \$209,769 or 1.4 percent due to current depreciation exceeding additions to capital assets.

More detailed information pertaining to the District's capital asset activity can be found in the notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
(Unaudited)*

Debt Administration

At June 30, 2007, the District had \$840,000 in general obligation debt outstanding with \$70,000 due within one year. Table 5 summarizes the bonds outstanding for fiscal year 2007 compared to fiscal year 2006.

Table 5

Outstanding Debt, Governmental Activities at Year End

<u>Purpose</u>	<u>2007</u>	<u>2006</u>
1989 School Improvement Bonds	\$30,000	\$55,000
1998 School Improvement Bonds	810,000	850,000
Total	<u>\$840,000</u>	<u>\$905,000</u>

More detailed information pertaining to the District's long-term debt activity can be found in the notes to the basic financial statements.

Current Issues

Externally, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. Huntington Local School District has benefited drastically.

Although considered one of the lowest wealth districts, as the District is rated 611 out of 612 districts in property valuation per pupil in the State of Ohio, the District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the State of Ohio provides the majority of the funding received by the District. Careful financial planning has permitted the District to provide a quality education for our students along with new and renovated facilities for the future, despite our low wealth status.

The future of the District is hard to predict. The financial situation is stable at the present time, however, the District is unable to predict what effect the budget problems of the State of Ohio may have on its financial operations. Huntington Local School District is very concerned with the State budget decisions because the District receives such a substantial amount of funding from the State of Ohio.

During the last several years the District's enrollment has shown a slight decrease. However, with the uncertainty in State funding it is hard to build a forecast, but the Huntington Local School District continues to utilize and demonstrate fiscal responsibility by adopting balanced budgets and not over spending the budgets.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Emma Stratton, Treasurer at Huntington Local School District, 188 Huntsmen Road, Chillicothe, Ohio 45601 or email at emma_hl@scoca-k12.org.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Net Assets

June 30, 2007

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$5,765,699
Cash and Cash Equivalents With Fiscal Agent	630,909
Property Taxes Receivable	1,216,424
Accounts Receivable	3,867
Intergovernmental Receivable	94,358
Accrued Interest Receivable	7,378
Materials and Supplies Inventory	50,820
Prepaid Items	12,322
Nondepreciable Capital Assets	769,307
Depreciable Capital Assets, Net	13,388,443
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<i>Total Assets</i>	21,939,527
	<hr/>
<u>Liabilities:</u>	
Accounts Payable	16,990
Accrued Wages and Benefits	959,443
Intergovernmental Payable	285,682
Accrued Interest Payable	4,007
Deferred Revenue	1,079,370
Claims Payable	182,564
<i>Long-Term Liabilities:</i>	
Due within One Year	160,758
Due in More Than One Year	1,368,469
	<hr/>
<i>Total Liabilities</i>	4,057,283
	<hr/>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	13,219,371
<i>Restricted for:</i>	
Capital Outlay	32
Debt Service	162,031
Other Purposes	90,102
Set Asides	190,269
Unrestricted	4,220,439
	<hr/>
<i>Total Net Assets</i>	\$17,882,244
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See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2007

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<i>Governmental Activities:</i>	Expenses			
<i>Instruction:</i>				
Regular	\$5,972,382	\$37,517	\$231,938	(\$5,702,927)
Special	1,677,647	0	1,256,239	(421,408)
Vocational	4,867	0	0	(4,867)
Adult/Continuing	55,423	0	0	(55,423)
<i>Support Services:</i>				
Pupils	301,769	0	0	(301,769)
Instructional Staff	215,630	0	0	(215,630)
Board of Education	30,878	0	0	(30,878)
Administration	746,722	0	1,343	(745,379)
Fiscal	411,953	0	0	(411,953)
Operation and Maintenance of Plant	1,178,546	0	0	(1,178,546)
Pupil Transportation	810,368	0	0	(810,368)
<i>Operation of Non-Instructional Services:</i>				
Food Service	504,070	194,985	246,611	(62,474)
Other	10,454	0	0	(10,454)
Extracurricular Activities	287,666	114,081	0	(173,585)
Interest and Fiscal Charges	53,947	0	0	(53,947)
<i>Total Governmental Activities</i>	<u>\$12,262,322</u>	<u>\$346,583</u>	<u>\$1,736,131</u>	<u>(10,179,608)</u>
 <i>General Revenues:</i>				
<i>Property Taxes Levied for:</i>				
General Purposes				996,607
Debt Service				22,743
Capital Outlay				92,327
Grants and Entitlements not Restricted to Specific Programs				8,287,381
Investment Earnings				252,212
Miscellaneous				112,587
<i>Total General Revenues</i>				<u>9,763,857</u>
Change in Net Assets				(415,751)
<i>Net Assets at Beginning of Year</i>				<u>18,297,995</u>
<i>Net Assets at End of Year</i>				<u>\$17,882,244</u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,026,640	\$443,234	\$5,469,874
Property Taxes Receivable	1,099,437	116,987	1,216,424
Accounts Receivable	3,043	824	3,867
Accrued Interest Receivable	7,378	0	7,378
Interfund Receivable	1,538	0	1,538
Intergovernmental Receivable	0	72,507	72,507
Prepaid Items	12,322	0	12,322
Materials and Supplies Inventory	39,794	11,026	50,820
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	190,269	0	190,269
<i>Total Assets</i>	<u>\$6,380,421</u>	<u>\$644,578</u>	<u>\$7,024,999</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$16,689	\$301	\$16,990
Accrued Wages and Benefits	771,302	188,141	959,443
Intergovernmental Payable	262,356	23,326	285,682
Interfund Payable	0	1,538	1,538
Deferred Revenue	1,014,509	106,784	1,121,293
<i>Total Liabilities</i>	<u>2,064,856</u>	<u>320,090</u>	<u>2,384,946</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	124,812	36,705	161,517
Reserved for Property Taxes	84,928	10,203	95,131
Reserved for Prepaid Items	12,322	0	12,322
Reserved for Textbooks	130,355	0	130,355
Reserved for Bus Purchases	59,914	0	59,914
<u>Unreserved, Undesignated, Reported in:</u>			
General Fund	3,903,234	0	3,903,234
Special Revenue Funds	0	120,743	120,743
Debt Service Fund	0	156,805	156,805
Capital Projects Funds	0	32	32
<i>Total Fund Balances</i>	<u>4,315,565</u>	<u>324,488</u>	<u>4,640,053</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,380,421</u>	<u>\$644,578</u>	<u>\$7,024,999</u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2007*

Total Governmental Funds Balances	\$4,640,053
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and and therefore are not reported in the funds.	14,157,750
Some of the District's receivables will be collected after fiscal year-end, but not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:	
Property taxes	41,923
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
General obligation bonds	(840,000)
Accrued interest on bonds	(4,007)
Capital leases	(98,379)
Compensated absences	<u>(590,848)</u>
Total liabilities not reported in funds	(1,533,234)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	<u>575,752</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$17,882,244</u></u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$999,769	\$115,316	\$1,115,085
Intergovernmental	8,171,821	1,851,691	10,023,512
Interest	251,536	676	252,212
Tuition and Fees	17,454	0	17,454
Rent	10,331	0	10,331
Extracurricular Activities	18,260	95,821	114,081
Charges for Services	20,063	194,985	215,048
Miscellaneous	102,256	0	102,256
<i>Total Revenues</i>	<u>9,591,490</u>	<u>2,258,489</u>	<u>11,849,979</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	5,210,412	718,662	5,929,074
Special	787,216	834,849	1,622,065
Vocational	747	0	747
Adult/Continuing	55,423	0	55,423
<i>Support Services:</i>			
Pupils	280,010	0	280,010
Instructional Staff	206,960	0	206,960
Board of Education	30,724	0	30,724
Administration	679,360	4,964	684,324
Fiscal	421,399	3,327	424,726
Operation and Maintenance of Plant	1,131,706	28,457	1,160,163
Pupil Transportation	798,246	0	798,246
<i>Operation of Non-Instructional Services:</i>			
Food Service Operations	0	466,800	466,800
Extracurricular Activities	164,439	98,321	262,760
Capital Outlay	0	553	553
<i>Debt Service:</i>			
Principal Retirement	32,221	65,000	97,221
Interest and Fiscal Charges	10,124	44,639	54,763
<i>Total Expenditures</i>	<u>9,808,987</u>	<u>2,265,572</u>	<u>12,074,559</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(217,497)</u>	<u>(7,083)</u>	<u>(224,580)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	7,600	5,101	12,701
Transfers Out	(10,102)	(2,599)	(12,701)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,502)</u>	<u>2,502</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(219,999)	(4,581)	(224,580)
<i>Fund Balances at Beginning of Year, Restated</i>	<u>4,535,564</u>	<u>329,069</u>	<u>4,864,633</u>
<i>Fund Balances at End of Year</i>	<u>\$4,315,565</u>	<u>\$324,488</u>	<u>\$4,640,053</u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2007*

Net Change in Fund Balances - Total Governmental Funds (\$224,580)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (201,656)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (8,113)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:
Property taxes (3,408)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 97,221

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 816

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:
Compensated absences 25,319

The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among activities. (101,350)

Change in Net Assets of Governmental Activities (\$415,751)

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$949,926	\$936,748	\$1,008,850	\$72,102
Intergovernmental	8,294,985	8,090,950	8,171,821	80,871
Interest	322,200	254,100	254,100	0
Tuition and Fees	38,748	21,774	15,935	(5,839)
Rent	26,000	7,200	10,331	3,131
Extracurricular Activities	8,200	26,000	18,260	(7,740)
Charges for Services	24,846	19,923	19,923	0
Miscellaneous	610,190	325,295	337,254	11,959
<i>Total Revenues</i>	<u>10,275,095</u>	<u>9,681,990</u>	<u>9,836,474</u>	<u>154,484</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	6,181,846	5,920,932	5,231,069	689,863
Special	722,016	816,088	788,670	27,418
Vocational	15,000	15,000	753	14,247
Adult/Continuing	75,000	75,000	55,423	19,577
<i>Support Services:</i>				
Pupils	322,100	322,047	288,842	33,205
Instructional Staff	263,555	271,318	216,944	54,374
Board of Education	44,500	44,500	31,056	13,444
Administration	779,719	807,720	732,211	75,509
Fiscal	540,450	569,431	527,414	42,017
Operation and Maintenance of Plant	1,289,700	1,351,063	1,140,575	210,488
Pupil Transportation	856,700	942,028	898,804	43,224
Extracurricular Activities	165,600	165,602	165,150	452
<i>Debt Service:</i>				
Principal	32,200	32,225	32,221	4
Interest	10,100	10,125	10,124	1
<i>Total Expenditures</i>	<u>11,298,486</u>	<u>11,343,079</u>	<u>10,119,256</u>	<u>1,223,823</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,023,391)</u>	<u>(1,661,089)</u>	<u>(282,782)</u>	<u>1,378,307</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	7,600	7,600	7,600	0
Transfers Out	(195,404)	(195,404)	(10,102)	185,302
<i>Total Other Financing Sources (Uses)</i>	<u>(187,804)</u>	<u>(187,804)</u>	<u>(2,502)</u>	<u>185,302</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,211,195)</u>	<u>(1,848,893)</u>	<u>(285,284)</u>	<u>1,563,609</u>
<i>Fund Balance at Beginning of Year</i>	5,234,214	5,234,214	5,234,214	0
Prior Year Encumbrances Appropriated	126,473	126,473	126,473	0
<i>Fund Balance at End of Year</i>	<u>\$4,149,492</u>	<u>\$3,511,794</u>	<u>\$5,075,403</u>	<u>\$1,563,609</u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Net Assets

Internal Service Fund

June 30, 2007

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$105,556
Cash and Cash Equivalents with Fiscal Agents	630,909
Intergovernmental Receivable	21,851
	<hr/>
<i>Total Current Assets</i>	758,316
	<hr/>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	182,564
	<hr/>
<i>Total Current Liabilities</i>	182,564
	<hr/>
<u>Net Assets:</u>	
Unrestricted	\$575,752
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
<u>Operating Revenues:</u>	
Charges for Services	<u>\$1,625,153</u>
<i>Total Operating Revenues</i>	<u>1,625,153</u>
<u>Operating Expenses:</u>	
Fringe Benefits	124,078
Claims	<u>1,602,425</u>
<i>Total Operating Expenses</i>	<u>1,726,503</u>
<i>Change in Net Assets</i>	(101,350)
<i>Net Assets at Beginning of Year</i>	<u>677,102</u>
<i>Net Assets at End of Year</i>	<u><u>\$575,752</u></u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2007

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Quasi-External Transactions with Other Funds	\$1,625,153
Cash Received from Other Revenues	39,834
Cash Payments to Suppliers for Goods and Services	(124,078)
Cash Payments for Claims	<u>(1,586,866)</u>
<i>Decrease in Cash and Cash Equivalents</i>	(45,957)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>782,422</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$736,465</u></u>
 <u>Reconciliation of Operating Loss</u>	
<u>to Net Cash from Operating Activities:</u>	
Operating (Loss)	(\$101,350)
 <u>Adjustments to Reconcile Operating Loss</u>	
<u>to Net Cash from Operating Activities:</u>	
Decrease in Intergovernmental Receivable	39,834
Increase in Claims Payable	<u>15,559</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$45,957)</u></u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2007

	<u>Agency</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$21,378</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Undistributed Monies	<u>21,378</u>
<i>Total Liabilities</i>	<u>\$21,378</u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Assets

Fiduciary Fund

For the Fiscal Year Ended June 30, 2007

	<u>Private Purpose Trust</u>
<i>Additions</i>	<u>\$0</u>
<i>Deductions:</i>	
Payments in Accordance with Trust Agreements	<u>493</u>
<i>Change in Net Assets</i>	(493)
<i>Net Assets at Beginning of Year</i>	<u>493</u>
<i>Net Assets at End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

Huntington Local School District (the "District") is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1931 through the consolidation of existing land areas and school districts. The District serves an area of approximately 52 square miles. It is located in Ross County, and includes Huntington Township. It is staffed by 45 non-certificated employees, 96 certificated full-time teaching personnel, and 5 administrative employees who provide services to 1,333 students and other community members. The District currently operates three instructional buildings, a bus garage, and an athletic complex.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Huntington Local School District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

The Parent Teacher Organizations and Booster Clubs perform activities within the District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the District is not financially accountable for them nor are they fiscally dependent on the District.

The District is associated with eight organizations, five of which are defined as jointly governed organizations, two as insurance purchasing pools and one as a claims servicing pool. These organizations are the South Central Ohio Computer Association, the Pickaway-Ross Career and Technology Center, the Great Seal Education Network of Tomorrow, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan, the Ohio School Plan and the Ross County School Employees Insurance Consortium. These organizations are presented in Notes 17 and 18 to the basic financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Huntington Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and internal service fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statement consists of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented on the face of the proprietary fund statement. Fiduciary funds are reported by type.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District fall within three categories: governmental, proprietary, and fiduciary.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The following is the District's only major governmental fund:

General Fund- This fund is the operating fund of the District and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the District accounts for grants and other resources of the District whose use is restricted to a particular purpose, for financial resources to be used for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds; and for the accumulation of resources for and the replacement of general long-term debt principal, interest and related costs.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

Internal Service Fund- The internal service fund is used to account for the medical, surgical, life and dental benefits provided to employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two fiduciary funds: a private purpose trust used to account for college scholarship donations and an agency fund, used to account for student activity programs.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenditures) in total net assets.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of current economic resources measurement focus. All assets and liabilities associated with the operation of this fund is included on the statement on net assets. The statement of changes in fund net assets presents increases (e.g., revenues) and decreases (e.g., expenditures) in total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of the internal service fund.

The private purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the internal service and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at the fiscal year-end: property taxes available for advance, accounts receivable, grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The District participates in a claims servicing pool that pays employee health and dental insurance claims on the District's behalf. The balance of the District's funds held by the claims administrator and the fiscal agent at June 30, 2007, is presented as "Cash and Cash Equivalents With Fiscal Agent."

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2007 amounted to \$251,536, which includes \$22,326 assigned from other District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents.

F. Inventory

On government-wide financial statements and the fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable materials and supplies held for consumption and donated and purchased food. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed or used.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund represent cash equivalents legally required to be set-aside by the District for textbooks and revenues restricted for the purchase of buses. See Note 16 for additional information regarding set-asides.

I. Capital Assets

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Any interest incurred during the construction of capital assets is also capitalized.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	5 -7 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	3 - 10 years

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable" and "Interfund Payable". These amounts are eliminated in the governmental activities column of the statement of net assets.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 10 years of service with the District.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees will be paid. The District had no such liability as of June 30, 2007.

L. Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the internal service fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes include federal and state grants restricted to expenditures for specified purposes.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. No assets are restricted by enabling legislation.

N. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, prepaids, instructional material, capital improvements, textbooks and bus purchases.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

O. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the internal service fund. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level. Any revisions that alter the total of any object appropriations must be approved by the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2007.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis), is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
Budget Basis	(\$285,284)
<i>Adjustments:</i>	
Revenue Accruals	(244,984)
Expenditure Accruals	168,847
Encumbrances	141,422
GAAP Basis	<u>(\$219,999)</u>

NOTE 4 - ACCOUNTABILITY

Fund Deficits

Fund balances at June 30, 2007 included the following individual fund deficits:

Nonmajor Special Revenue Funds:

Poverty Based Assistance	\$20,701
Drug-Free Grant	58

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies may be deposited or invested in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio or Ohio local governments;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investment pool (STAR Ohio); and

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

- (7) Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- (8) Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information is presented in accordance with GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

Deposits with Financial Institutions

At June 30, 2007, the carrying amount of all the District deposits were \$6,417,986, which includes \$630,909 cash with fiscal agents. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$5,701,692 of the District's bank balance of \$5,801,692 was exposed to custodial risk as discussed below, while \$100,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of all the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

HUNTINGTON LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31. Tangible personal property assessments are 25 percent of true value.

Real property taxes are paid by taxpayers annually or semi-annually. If paid annually, payment is due December 31, unless extended; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Beginning in fiscal year 2006, the District began receiving personal property loss reimbursements from the State. These payments are received due to the scheduled elimination of personal property taxes over the next several years.

The District receives property taxes from Ross County. The Ross County Auditor periodically advances to the District their portion of the taxes collected. Second-half real property tax payments collected by Ross County by June 30, 2007 are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2007. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30, 2007 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as an advance at June 30, 2007 were \$84,928 for the General Fund, \$1,727 for the Classroom Facilities Maintenance Nonmajor Special Revenue Fund and \$8,476 for the Bond Retirement Nonmajor Debt Service Fund.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$46,747,420	92.19%	\$47,638,940	92.89%
Public Utility Personal	3,554,790	7.01%	3,339,720	6.51%
Tangible Personal Property	406,470	0.80%	312,230	0.60%
Total Assessed Value	<u>\$50,708,680</u>	<u>100.00%</u>	<u>\$51,290,890</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$31.00		\$31.00

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007, consisted of property taxes, intergovernmental grants, accounts (student fees), accrued interest and inter-fund. The Self-Insurance Internal Service Fund intergovernmental receivable consists of claims payments made on behalf of other members of the Ross County School Employees Insurance Consortium using surplus monies of the District. The District believes that all receivables except for Internal Service receivables are considered fully collectible within one year due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. The Internal Service Fund receivable is considered to be fully collectible, although the total amount may not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Governmental Activities</i>	
<i>Nonmajor Special Revenue Funds:</i>	
Title VI-B	\$8,841
Title I	45,345
Innovative Programs	187
Improving Teacher Quality	13,700
Title II-D	4,434
Total Nonmajor Special Revenue Funds	72,507
Internal Service Fund	21,851
Total Intergovernmental Receivables	<u>\$94,358</u>

HUNTINGTON LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 8 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2007 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2007</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$369,307	\$400,000	\$0	\$769,307
<i>Depreciable Capital Assets:</i>				
Land Improvements	1,145,183	0	0	1,145,183
Buildings and Improvements	20,775,764	10,973	0	20,786,737
Furniture, Fixtures and Equipment	2,604,981	120,293	(96,713)	2,628,561
Vehicles	1,046,416	71,485	0	1,117,901
Total Depreciable Capital Assets	25,572,344	202,751	(96,713)	25,678,382
Total Capital Assets	25,941,651	602,751	(96,713)	26,447,689
<i>Accumulated Depreciation:</i>				
Land Improvements	(867,749)	(29,797)	69,450	(828,096)
Buildings and Improvements	(8,199,720)	(527,435)	0	(8,727,155)
Furniture, Fixtures and Equipment	(1,768,670)	(185,848)	19,150	(1,935,368)
Vehicles	(737,993)	(61,327)	0	(799,320)
Total Accumulated Depreciation	(11,574,132)	(804,407)	88,600	(12,289,939)
Total Capital Assets, Net	<u>\$14,367,519</u>	<u>(\$201,656)</u>	<u>(\$8,113)</u>	<u>\$14,157,750</u>

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$626,696
Special	235
<i>Support Services:</i>	
Pupils	327
Instructional Staff	8,067
Administration	19,036
Fiscal	600
Operation and Maintenance of Plant	49,240
Pupil Transportation	76,542
Food Service	1,134
Extracurricular Activities	22,530
Total Depreciation Expense	<u><u>\$804,407</u></u>

NOTE 9 - RISK MANAGEMENT

The District 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 fiscal year 2007, the District contracted with Indiana Insurance Company for property and fleet insurance, liability insurance, inland marine coverage, and public official bonds. Coverages provided are as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$31,081,853
Inland Marine Coverage (\$500 deductible)	19,600
Musical Instruments (\$500 deductible)	77,333
Automobile Liability (\$500 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 9 - RISK MANAGEMENT - (Continued)

During fiscal year 2007, the District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that is selects. The District pays this annual premium to the OSP. (See Note 18).

General Liability:	
Bodily Injury and Property Damage - Each Occurrence Limit and Sexual Abuse Injury - Each Sexual Abuse Offense Limit	\$1,000,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Medical Expense - Each Accident Limit	10,000
General Aggregate Limit	3,000,000
Products - Completed Operations Limit	1,000,000
Employee Benefits Liability Endorsement:	
Employee Benefits Injury - Each Offense Limit	1,000,000
Employee Benefits Injury - Aggregate Limit	3,000,000
Employer's Liability and Stop Gap Endorsement:	
Bodily Injury by Accident - Each Accident Limit	1,000,000
Bodily Injury by Disease - Endorsement Limit	1,000,000
Bodily Injury by Disease - Each Employee Limit	1,000,000
Educational Legal Liability Coverage (\$2,500 deductible):	
Errors and Omissions Injury Limit	1,000,000
Errors and Omissions Injury Aggregate Limit	3,000,000
Employment Practices Injury Limit	1,000,000
Employment Practices Injury Aggregate Limit	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from last year.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 9 - RISK MANAGEMENT - (Continued)

For fiscal year 2007, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 18). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria.

The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan. Each year the District pays an enrollment fee to the Plan to cover costs of administering the program.

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The District is a member of a claims servicing pool, consisting of fourteen school districts within Ross County and its surrounding area, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the District's behalf. The claims liability of \$182,564 reported at June 30, 2007 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2006	\$149,196	\$1,557,666	\$1,539,857	\$167,005
2007	167,005	1,602,425	1,586,866	182,564

NOTE 10 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$173,162, \$147,528, and \$125,128, respectively; 50 percent has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005. \$86,581 representing the unpaid contribution for fiscal year 2007, is recorded as a liability on the statement of net assets.

State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strs.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$743,117, \$678,459, and \$649,799, respectively; 82.62 percent has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005. \$129,183 representing the unpaid contribution for fiscal year 2007, is recorded as a liability on the statement of net assets.

Social Security System

Effective June 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2007, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both Systems are funded on a pay-as-you-go basis.

All STRS Ohio retirees who participate in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$57,163 during fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay has been established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$75,375.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next year. Expenses for health care at June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive benefits.

NOTE 12 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-half days per month. Sick leave may be accumulated without limitation for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days for classified employees and 57 days for certified employees.

Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to most employees through U.S. Life Insurance.

Special Termination Benefit

The Board of Education approved a Special Termination Benefit program. All individuals with 30 years of STRS Ohio retirement credit are eligible for a one-time \$10,000 severance bonus. For the bonus to be collected, an individual's retirement must be completed no later than August 1 following the school year in which the individual first becomes eligible to retire. The individual must submit a written notification to the Superintendent by March 1 in order to receive the incentive. During fiscal year 2007, one employee took advantage of this incentive and was paid before fiscal year-end.

Deferred Compensation

The District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the District during the 2007 fiscal year were as follows:

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2006	Additions	Deductions	Principal Outstanding at June 30, 2007	Amount Due In One Year
<i>Governmental Activities:</i>							
School Improvement Bonds	1989	6.40%	\$55,000	\$0	\$25,000	\$30,000	\$30,000
School Improvement Bonds	1998	5.15%	850,000	0	40,000	810,000	40,000
Total General Obligation Bonds			905,000	0	65,000	840,000	70,000
Compensated Absences Payable		N/A	616,167	186,373	211,692	590,848	55,745
Capital Leases Payable		7.50 - 10.00%	130,600	0	32,221	98,379	35,013
Total Governmental Activities Long-Term Obligations			<u>\$1,651,767</u>	<u>\$186,373</u>	<u>\$308,913</u>	<u>\$1,529,227</u>	<u>\$160,758</u>

1989 School Improvement Bonds - In 1989, the District issued \$310,000 in voted general obligation bonds for the construction of a new building at an interest rate of 6.40%. The bonds were issued for a twenty year period with final maturity occurring during fiscal year 2008. The bonds will be retired from the Bond Retirement Nonmajor Debt Service Fund.

1998 School Improvement Bonds - In 1998, the District issued \$1,107,000 in voted general obligation bonds at an interest rate of 5.15% for the construction of a new building and renovations to the existing ones. The bonds were issued for a twenty-three year period with final maturity occurring during fiscal year 2021. The bonds will be retired from the Bond Retirement Nonmajor Debt Service Fund.

Compensated absences payable are paid from the fund from which the person is paid. The capital leases payable are paid from the General Fund.

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The District's voted legal debt margin was \$3,776,180 with an unvoted debt margin of \$51,291 at June 30, 2007.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2007 are as follows:

Year Ending June 30	General Obligation Bonds
2008	\$112,668
2009	83,475
2010	81,338
2011	84,200
2012	81,825
2013-2017	410,644
2018-2021	328,626
Total Principal & Interest	1,182,776
Less: Interest	342,776
Total Principal	<u>\$840,000</u>

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

In the prior and current year, the District entered into capitalized leases for copier equipment. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. However, these expenditures are reported as current expenditures on the budgetary statement.

Capital assets acquired by lease were initially capitalized in the statement of net assets for governmental activities in the amount of \$170,512 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2007 totaled \$32,221 and were paid from the General Fund.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

The assets acquired through capital leases as of June 30, 2007, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Copier Equipment	\$170,512	\$87,901	\$82,611

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2007:

<u>Fiscal Year Ending June 30</u>	<u>Total Payments</u>
2008	\$42,147
2009	39,989
2010	26,414
2011	2,142
Total	110,692
Less: Amount Representing Interest	(12,313)
Present Value of Net Minimum Lease Payments	<u>\$98,379</u>

NOTE 15 - INTERFUND ACTIVITY

As of June 30, 2007, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<i>General Fund</i>	\$1,538	\$0
<i>Nonmajor Special Revenue Fund:</i>		
Drug Free Schools Grant	0	1,538
Total	<u>\$1,538</u>	<u>\$1,538</u>

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2007 are reported on the Statement of Net Assets.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 15 - INTERFUND ACTIVITY - (Continued)

As of June 30, 2007, transfers were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$7,600	\$10,102
<i>Other Governmental Funds:</i>		
Athletics	2,000	0
DPIA	0	2,599
Poverty Based Assistance	2,599	
Intervention Grant	502	0
Total Other Governmental Funds	5,101	2,599
Totals	\$12,701	\$12,701

Transfers are generally used to either (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Bond Retirement Debt Service Fund as debt service payments become due, or (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During fiscal year ended 2007, the District made transfers of \$10,102 from the General Fund to Other Governmental Funds for various purposes.

During fiscal year ended 2007, the District made a transfer of \$2,599 from the DPIA Fund to the Poverty Based Assistance Fund.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 16 - STATUTORY SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional material and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similar restricted resources during the year must be held in cash at year-end and carried forward to be used for the same purposes in future fiscal years.

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2007:

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Totals</u>
Set-Aside Balance as of July 1, 2006	\$0	\$105,686	\$105,686
Current Year Set-Aside Requirement	204,659	204,659	409,318
Current Year Offsets	(62,432)	0	(62,432)
Qualifying Disbursements	<u>(11,872)</u>	<u>(528,099)</u>	<u>(539,971)</u>
Total	<u>130,355</u>	<u>(217,754)</u>	<u>(87,399)</u>
Set-Aside Balance as of June 30, 2007	<u>\$5,355</u>	<u>\$0</u>	
Total Restricted Assets			<u>\$130,355</u>

Qualifying disbursements in excess of current year or accumulated set-aside requirements for textbooks may be used to reduce set-aside requirements of future years.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association

The District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, Pickaway, Gallia and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The District paid SCOCA \$20,548 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Career and Technology Center, Tonya Cooper who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

Pickaway-Ross County Career and Technology Center

The Pickaway-Ross County Career and Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven representatives from the various City and County Boards within Pickaway and Ross Counties, which possesses its own budgeting and taxing authority. The Career Center provides vocational instruction to students in both Pickaway and Ross Counties. To obtain financial information write to the Pickaway-Ross County Career and Technology Center, Ben Van Horn who serves as Treasurer, at 895 Crouse Chapel Road, Chillicothe, Ohio 45601.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Great Seal Education Network of Tomorrow

The Great Seal Education Network of Tomorrow is a regional council of governments (the "Council") consisting of twelve city, local, and joint vocational school districts, two educational service centers and the Ohio University-Chillicothe Campus for the purpose of promoting the use of advanced telecommunications and technology to provide enhanced educational opportunities to the communities of Ross and Pickaway Counties. The Council is operated under the direction of a Board of Directors consisting of one representative (the superintendent or another person appointed by the board of education) of each of the members. The Council possesses its own budgeting and taxing authority. To obtain financial information, write to the Ohio University-Chillicothe Campus, who acts as fiscal agent, at 571 West Fifth Street, Chillicothe, Ohio 45601.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or a financial responsibility for the Council. The District did not pay the Coalition for services in fiscal year 2007.

Pilasco-Ross Special Education Regional Resource Center

The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which represents Lawrence, Pike, Ross and Scioto Counties. The SERRC selects its own governing board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a Board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, Joint Vocational Schools, Pickaway-Ross County Career and Technology Center, Shawnee State University, and Ross-Pike, Lawrence and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The fiscal agent for the SERRC is Dawson-Bryant Local School District. Financial information can be obtained by contacting Donald Washburn, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 18 - INSURANCE PURCHASING AND CLAIMS SERVICING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio School Plan

For Members with Ohio Plan policies renewing after November 1, 2005.

Risk Pool Membership

The school belongs to the Ohio School Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 400 Ohio schools ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, general liability, educator's legal liability, automobile and violence coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's specific deductible.

The Plan issues its own policies and reinsures the Plan with reinsurance carriers. Only if the Plan's paid liability loss ratio exceeds 65% and is less than 80% does the Plan contribute to paid claims. (See the Plan's audited financial statements on the website for more details.) The individual members are responsible for their self-retention (deductible) amounts, which vary from member to member.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$1,730,236	\$952,191
Liabilities	941,026	213,419
Members Equity	<u>\$789,210</u>	<u>\$738,772</u>

You can read the complete audited financial statements for the Ohio School Plan at the Plan's website, www.ohioschoolplan.org.

HUNTINGTON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

NOTE 18- INSURANCE PURCHASING AND CLAIMS SERVICING POOLS - (Continued)

Ross County School Employees Insurance Consortium

The District is a member of the Ross County School Employees Insurance Consortium (the "Consortium"), a claims servicing pool consisting of fourteen school districts within Ross County and its surrounding area. Medical/surgical insurance is administered through a third party administrator, Medical Mutual of Ohio. The Consortium's business and affairs are managed by a Council consisting of one representative from each participating school. The participating school districts pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the Ross-Pike ESC, Erin Kirby, 475 Western Avenue, Suite E, Chillicothe, Ohio 45601.

NOTE 19 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2007.

Litigation

The District is not party to legal proceedings.

NOTE 20 - PRIOR PERIOD ADJUSTMENT

An analysis of the District's expenditures indicated that an expenditure from the Title VI-B fund for fiscal year 2007 was previously paid from the General Fund in fiscal year 2006. The payment was made from the General Fund prior to the receipt of grant funding for Title VI-B. A prior period adjustment has been made to reflect the corrected beginning fund balances as of July 1, 2006.

	General Fund	Other Governmental Funds
Fund Balance at June 30, 2006	\$4,406,946	\$457,687
Expenditure Adjustment	128,618	(128,618)
Adjusted Fund Balance at June 30, 2006	<u>\$4,535,564</u>	<u>\$329,069</u>

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HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Food Donation Program		10.550	\$ -	\$ 33,519	\$ -	\$ 33,519
Nutrition Cluster:						
National School Breakfast Program	05-PU 2007	10.553	33,766	-	33,766	-
National School Lunch Program	LL-P4-2007	10.555	166,927	-	166,927	-
<i>Total Nutrition Cluster</i>			200,693	-	200,693	-
Team Nutrition Training Grants	TW-NT-2007	10.574	1,824	-	1,824	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			202,517	33,519	202,517	33,519
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	C1-S1 - 2006	84.010	31,782	-	45,687	-
Title I Grants to Local Educational Agencies	C1-S1 - 2007	84.010	422,483	-	395,472	-
<i>Total Title 1 Grants to Local Educational Agencies</i>			454,265	-	441,159	-
Special Education Grants to States						
Special Education Grants to States	6B-SF - 2006	84.027	143,880	-	29,126	-
Special Education Grants to States	6B-SF - 2007	84.027	346,039	-	323,922	-
<i>Total Special Education Grants to States</i>			489,919	-	353,048	-
Safe and Drug-Free Schools State Grants						
Safe and Drug-Free Schools State Grants	DR-S1 - 2006	84.186	-	-	1,275	-
Safe and Drug-Free Schools State Grants	DR-S1 - 2007	84.186	9,843	-	8,362	-
<i>Total Safe and Drug-Free Schools State Grants</i>			9,843	-	9,637	-
State Grants for Innovative Educational Program Strategies						
State Grants for Innovative Educational Program Strategies	C2-S1 - 2006	84.298	45	-	664	-
State Grants for Innovative Educational Program Strategies	C2-S1 - 2007	84.298	2,043	-	1,774	-
<i>Total State Grants for Innovative Educational Program Strategies</i>			2,088	-	2,438	-
Education Technology State Grants						
Education Technology State Grants	TJ-S1 - 2006	84.318	-	-	707	-
Education Technology State Grants	TJ-S1 - 2007	84.318	5,190	-	4,654	-
<i>Total Education Technology State Grants</i>			5,190	-	5,361	-
Improving Teacher Quality State Grants						
Improving Teacher Quality State Grants	TR-S1 - 2006	84.367	10,590	-	20,467	-
Improving Teacher Quality State Grants	TR-S1 - 2007	84.367	107,271	-	103,122	-
<i>Total Improving Teacher Quality State Grants</i>			117,861	-	123,589	-
Rural Education						
Rural Education	RU-S1-2006	84.358	10,168	-	15,298	-
Rural Education	RU-S1-2007	84.358	27,968	-	25,077	-
<i>Total Rural Education</i>			38,136	-	40,375	-
Goals 2000_State and Local Education Systematic Improvement	G2-S2-2001	84.276	-	-	4,500	-
TOTAL U.S. DEPARTMENT OF EDUCATION			1,117,302	-	980,107	-
Totals			\$ 1,319,819	\$ 33,519	\$ 1,182,624	\$ 33,519

The accompanying notes to this schedule are an integral part of this schedule.

**HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE D – SCHOOLWIDE PROGRAM

The District currently operates a schoolwide program for their Title I fund in the Elementary and Middle Schools.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Huntington Local School District
Ross County
188 Huntsman Road
Chillicothe, Ohio 45601

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Huntington Local School District, Ross County, Ohio, (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District'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 certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 District'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 District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However of the significant deficiencies described above we believe finding number 2007-002 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated January 18, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 18, 2008.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 18, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Huntington Local School District
Ross County
188 Huntsman Road
Chillicothe, Ohio 45601

To the Board of Education:

Compliance

We have audited the compliance of Huntington Local School District, Ross County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Huntington Local School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007. In a separate letter to the District's management dated January 18, 2008, we reported a matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as finding 2007-003 to be significant deficiency.

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We consider finding 2007-003 described in the accompanying schedule of findings to be a material weakness.

We also noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated January 18, 2008.

The District's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 18, 2008

**HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Grants to States, CFDA 84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2007-001

Significant Deficiency

Authorization to Pay

The District requires that all invoices presented for payment be marked okay to pay to indicate that all goods and services have been received.

17% of the invoices tested were not marked okay to pay indicating that all goods or services had been received prior to making payment. In addition, the District does not utilize receiving reports or capital asset addition forms to track the goods received or services provided. Failure to ensure that goods existed or services occurred could result in the District misstating their financial statements.

HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

FINDING NUMBER 2007-001 (Continued)

Significant Deficiency (Continued)

Authorization to Pay (Continued)

We recommend the District implement procedures to ensure the proper existence and occurrence of all goods received and/or services provided. At a minimum, we recommend the individual receiving the goods or service mark the invoices "OK to Pay" to indicate goods and/or services were properly received and existed.

Officials' Response:

All invoices will be double checked to make sure the Teacher or Advisor signs off on all purchased items as they are received.

FINDING NUMBER 2007-002

Financial Statement Adjustments – Significant Deficiency/Material Weakness

Sound financial reporting is the responsibility of the Treasurer and the Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the June 30, 2007 financial statements:

1. Restated July 1, 2006 fund balances in the General and Title VI-B funds in the amount \$128,618 for payroll expenditures that were initially paid out of the General fund in fiscal year 2006 and reimbursed by the Title IV-B fund in fiscal year 2007. This also resulted in an inaccurate federal receipts and expenditure schedule for fiscal year 2006 and a Type A program under OBM Circular A-133 going untested in the prior year. That program was subsequently tested and the fiscal year 2006 audit report being reissued.

Furthermore, adjustments were made to the financial statements in the current audit period in the amount of \$ 103,987 due to the Title IV-B fund reimbursing the General fund for payroll expenditures. This resulted in the activity being recorded in both funds; overstating revenues and expenditures in the General fund. Therefore, adjustments were made to reflect the activity only in the Title VI-B fund. Although the school district did accurately reflect the amounts on the 2007 federal receipts and expenditures schedule this could also lead to inaccurate reporting of federal monies in future periods.

2. General Fund original budgetary receipts were reduced in the amount of \$593,105 to reflect the amount certified by the Budget Commission.

In addition to the adjustments noted above, the following audit adjustments and reclassifications were inconsequential to the overall financial statements of the District and were not posted to the June 30, 2007 financial statements.

1. General Fund original budgetary expenditures were increased by \$128,128 to reflect the amounts adopted by the Board of Education.

HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

FINDING NUMBER 2007-002 (Continued)

Financial Statement Adjustments – Significant Deficiency/Material Weakness (Continued)

2. Adjusted Compensated Absences Payable in the General Fund by \$17,329 for pending retirement payments.

The adjustments identified above should be reviewed by the Treasurer and the report conversion team to ensure that similar errors are not reported on financial statements in subsequent years. In addition, we recommend the District adopt procedures for the review of the activity posted to the accounting records and subsequent financial statements and the federal receipts and expenditure schedule.

Officials' Response:

Treasurer will make every effort to keep a closer check on all financial entries that the District makes.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Financial Statement Adjustments

Finding Number	2007-003
CFDA Title and Number	Special Education Grants to States - 84.027
Federal Award Number / Year	049502-6B-SF-2007
Federal Agency	The US Department of Education
Pass-Through Agency	The Ohio Department of Education

Significant Deficiency/Material Weakness

"See (GAGAS) finding # 2007-002 above; A-133 also requires us to report this finding."

Officials' Response:

Treasurer is going to work with federal coordinator to work out any problems with the special education grants. Treasurer will make sure all areas of the grant will be made in the correct year and all reimbursements are posted properly.

HUNTINGTON LOCAL SCHOOL DISTRICT
ROSS COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2007

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2007-003	Treasurer is going to work with federal coordinator to work out any problems with the special education grants. Treasurer will make sure all expenditures of the grant will be made in the correct year and all reimbursements are posted properly.	February 4, 2008	Emma Stratton, Treasurer



Mary Taylor, CPA
Auditor of State

HUNTINGTON LOCAL SCHOOL DISTRICT

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
MARCH 6, 2008