



***HUNTINGTON TOWNSHIP, ROSS COUNTY***

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**Regular Audit**

**For the Years Ended December 31, 2010 and 2009**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







# Dave Yost • Auditor of State

Board of Trustees  
Huntington Township  
1111 Windy Ridge Road  
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of Huntington Township, Ross County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 26, 2011

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**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
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For the Years Ended December 31, 2010 and 2009

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## Independent Auditor's Report

Board of Trustees  
Huntington Township, Ross County  
1111 Windy Ridge Road  
Chillicothe, OH 45601

We have audited the accompanying financial statements of Huntington Township (the Township), Ross County as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, the Township prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2010 and 2009. Instead of the combined funds the accompanying financial statements presents for 2010 and 2009, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2010 and 2009. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

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

Also, in our opinion, the financial statements referred to in the first paragraph above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2010 and 2009. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2011 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

June 21, 2011

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2010**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b><u>Cash Receipts:</u></b>					
Local Taxes	\$55,170	\$237,812	48,363	0	341,345
Intergovernmental	77,286	194,547	0	25,700	297,533
Charges for Services	0	5,800	0	0	5,800
Earnings on Investments	339	0	0	0	339
Other Revenue	0	54,442	0	0	54,442
<b>Total Cash Receipts</b>	<b>132,795</b>	<b>492,601</b>	<b>48,363</b>	<b>25,700</b>	<b>699,459</b>
<b><u>Cash Disbursements:</u></b>					
<i>Current:</i>					
General Government	81,353	736	0	0	82,089
Public Safety	0	151,827	0	0	151,827
Public Works	73,083	296,125	0	0	369,208
Health	0	7,177	0	0	7,177
Human Service	0	0	0	25,700	25,700
<i>Debt Service:</i>					
Redemption of Principal	0	0	59,111	0	59,111
Interest and Fiscal Charges	0	0	11,859	0	11,859
Capital Outlay	0	7,450	0	0	7,450
<b>Total Cash Disbursements</b>	<b>154,436</b>	<b>463,315</b>	<b>70,970</b>	<b>25,700</b>	<b>714,421</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>(21,641)</b>	<b>29,286</b>	<b>(22,607)</b>	<b>0</b>	<b>(14,962)</b>
<b><u>Other Financing Sources (Uses):</u></b>					
Transfers In	0	0	19,837	0	19,837
Transfers Out	(10,656)	(9,181)	0	0	(19,837)
Advance In	12,000	12,000	0	0	24,000
Advance Out	(12,000)	(12,000)	0	0	(24,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(10,656)</b>	<b>(9,181)</b>	<b>19,837</b>	<b>0</b>	<b>0</b>
<b>Total Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements</b>	<b>(32,297)</b>	<b>20,105</b>	<b>(2,770)</b>	<b>0</b>	<b>(14,962)</b>
<b>Fund Cash Balances, January 1, As Restated</b>	<b>48,524</b>	<b>82,698</b>	<b>3,361</b>	<b>0</b>	<b>134,583</b>
<b><u>Fund Cash Balances, December 31</u></b>	<b><u>\$16,227</u></b>	<b><u>\$102,803</u></b>	<b><u>\$591</u></b>	<b><u>\$0</u></b>	<b><u>\$119,621</u></b>
<b>Reserve for Encumbrances, December 31</b>	<b><u>\$399</u></b>	<b><u>\$635</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,034</u></b>

See accompanying notes to the financial statements.



**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2009**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b><u>Cash Receipts:</u></b>					
Local Taxes	\$53,099	\$231,184	\$43,307	\$0	\$327,590
Intergovernmental	102,911	169,823	0	47,938	320,672
Charges for Services	0	6,500	0	0	6,500
Earnings on Investments	448	119	0	0	567
Other Revenue	40	32,974	0	0	33,014
<b>Total Cash Receipts</b>	<b>156,498</b>	<b>440,600</b>	<b>43,307</b>	<b>47,938</b>	<b>688,343</b>
<b><u>Cash Disbursements:</u></b>					
<i>Current:</i>					
General Government	78,364	693	0	0	79,057
Public Safety	0	159,918	0	0	159,918
Public Works	66,260	278,513	0	0	344,773
Health	0	8,103	0	0	8,103
Human Service	0	0	0	47,938	47,938
<i>Debt Service:</i>					
Redemption of Principal	0	92,812	39,862	0	132,674
Interest and Fiscal Charges	0	1,534	5,549	0	7,083
Capital Outlay	40,000	149,072	0	18,750	207,822
<b>Total Cash Disbursements</b>	<b>184,624</b>	<b>690,645</b>	<b>45,411</b>	<b>66,688</b>	<b>987,368</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>(28,126)</b>	<b>(250,045)</b>	<b>(2,104)</b>	<b>(18,750)</b>	<b>(299,025)</b>
<b><u>Other Financing Sources:</u></b>					
Transfers In	0	0	5,465	0	5,465
Transfers Out	(5,465)	0	0	0	(5,465)
Other Debt Proceeds	0	139,995	0	0	139,995
<b>Total Other Financing Sources (Uses)</b>	<b>(5,465)</b>	<b>139,995</b>	<b>5,465</b>	<b>0</b>	<b>139,995</b>
<b>Total Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements</b>	<b>(33,591)</b>	<b>(110,050)</b>	<b>3,361</b>	<b>(18,750)</b>	<b>(159,030)</b>
Fund Cash Balances, January 1	82,115	191,335	0	18,750	292,200
<b>Fund Cash Balances, December 31</b>	<b>\$48,524</b>	<b>\$81,285</b>	<b>\$3,361</b>	<b>\$0</b>	<b>\$133,170</b>
Reserve for Encumbrances, December 31	\$399	\$551	\$0	\$0	\$950

See accompanying notes to the financial statements.

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 1 – Reporting Entity**

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting**

The Township's financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

**Fund Accounting**

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

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

**Special Revenue Funds:** These funds are used to account for proceeds from specific sources (other than trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

*Road and Bridge Fund* – This fund receives personal property tax money for maintaining and repairing Township roads and bridges.

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

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

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

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

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2010 and 2009*

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**Note 2 – Summary of Significant Accounting Policies** (continued)

Capital Projects Funds: These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Funds:

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

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

**Budgetary Process**

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

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

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

Encumbrances: The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 2010 and 2009 budgetary activity appears in Note 5.

**Property, Plant and Equipment**

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

**Accumulated Leave**

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

**Note 3 – Prior Period Adjustment**

**2010 Prior Period Adjustment.**

During 2010, the Township voided checks issued in 2009 and reissued the checks. This resulted in a restatement of the prior period cash balance.

	Special Revenue Funds
	<hr/>
Net Assets at December 31, 2010	\$81,285
Understatement of Cash and Cash Equivalents	1,413
Adjusted Net Assets at December 31, 2010	<hr/> <hr/> \$82,698

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 3 – Prior Period Adjustment** (continued)

2009 Prior Period Adjustment.

During 2009, the Township voided checks issued in 2008 and reissued the checks. This resulted in a restatement of the prior period cash balance.

	Special Revenue Funds
	\$190,337
Net Assets at December 31, 2009	998
Understatement of Cash and Cash Equivalents	\$191,335
Adjusted Net Assets at December 31, 2009	\$191,335

**Note 4 – Cash and Investments**

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

	December 31, 2010	December 31, 2009
Demand Deposits	\$119,621	\$134,583
	\$119,621	\$134,583

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

**Note 5 – Budgetary Basis of Accounting**

The Township's budgetary activity for the years ending December 31, 2010 and December 31, 2009 was as follows:

2010 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted	Actual	Variance
General	\$126,434	\$132,795	\$6,361
Special Revenue	457,261	492,601	35,340
Debt Service	69,723	68,200	(1,523)
Capital Projects	25,700	25,700	0
<i>Total</i>	\$679,118	\$719,296	\$40,178
	\$679,118	\$719,296	\$40,178

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 5 – Budgetary Basis of Accounting** (continued)

2010 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$173,747	\$165,092	\$8,655
Special Revenue	521,151	472,496	48,655
Debt Service	71,358	70,970	388
Capital Projects	25,700	25,700	0
<i>Total</i>	<u>\$791,956</u>	<u>\$734,258</u>	<u>\$57,698</u>

2009 Budgeted vs. Actual Receipts

Receipts			
Fund Type	Budgeted	Actual	Variance
General	\$160,115	\$156,498	(\$3,617)
Special Revenue	575,248	580,595	5,347
Debt Service	48,772	48,772	0
Capital Projects	47,938	47,938	0
<i>Total</i>	<u>\$832,073</u>	<u>\$833,803</u>	<u>\$1,730</u>

2009 Budgeted vs. Actual Budgetary Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$236,272	\$190,089	\$46,184
Special Revenue	753,974	689,232	64,742
Debt Service	48,771	45,411	3,360
Capital Projects	66,688	66,688	0
<i>Total</i>	<u>\$1,105,705</u>	<u>\$991,420</u>	<u>\$114,286</u>

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 6- Debt**

Debt outstanding at December 31, 2010 was as follows:

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-09	Issued in 2010	Retired In 2010	Principal Balance 12-31-10
Squad	2005	3.99%	\$9,712	\$0	\$9,712	\$0
Backhoe	2008	4.80%	29,400	0	29,400	0
Fire Pumper Truck	2009	3.50%	131,097	0	19,999	111,098
			<u>\$170,209</u>	<u>\$0</u>	<u>\$59,111</u>	<u>\$11,098</u>

Description of Issue	Issue Date	Interest Rate	Principal Balance 12-31-08	Issued in 2009	Retired In 2009	Principal Balance 12-31-09
Squad	2005	3.99%	\$20,210	\$0	\$10,497	\$9,712
Tractor	2007	4.60%	10,667	0	10,667	0
Backhoe	2008	4.80%	39,200	0	9,800	29,400
Fire Pumper Truck	2008	4.25%	92,812	0	92,812	0
Fire Pumper Truck	2009	3.50%	0	139,995	8,898	131,097
			<u>\$162,889</u>	<u>\$139,995</u>	<u>\$132,674</u>	<u>\$170,209</u>

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

The Township obtained a note in the amount of \$16,000 to purchase a Tractor in 2007. The note will be repaid in annual installments of \$5,333 for principal and any interest accrued on the outstanding balance at 4.6%.

The Township obtained a note in the amount of \$49,000 to purchase a Backhoe in 2008. The note will be repaid in annual installments of \$9,800 for principal and any interest accrued on the outstanding balance at 4.8%.

The Township obtained a note in the amount of \$99,000 to purchase a Fire Pumper Truck in 2008. The note will be repaid in semi-annual installments of \$6,188 for principal and any interest accrued on the outstanding balance at 4.25%.

The Township obtained a note in the amount of \$139,995 to purchase a Fire Pumper Truck in 2009. The note will be repaid in semi-annual installments of \$9,999 for principal and any interest accrued on the outstanding balance at 3.50%.

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 6- Debt** (continued)

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

Year ending December 31:	New Fire Pumper Truck		
	Principal	Interest	Total
2011	\$19,999	\$3,729	\$23,728
2012	19,999	3,028	23,027
2013	19,999	2,310	22,309
2014	19,999	1,600	21,599
2015	19,999	890	20,889
2016	11,103	180	11,283
<b>Total</b>	<b>\$111,098</b>	<b>\$11,737</b>	<b>\$122,835</b>

**Note 7 – Property Taxes**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and the second half payment is due the following June 20.

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

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

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

The full tax rate for all Township operations for the years ended December 31, 2010 and 2009 was 7.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 and 2009 property tax receipts were based are as follows:

	2010	2009
Real Property		
Residential	\$13,791,410	\$13,797,440
Agricultural	6,702,790	5,341,060
Commercial	2,435,940	2,417,290
Tangible Personal Property	93,680	197,210
Public Utility	913,160	818,850
Total Assessed Value	<u>\$23,936,980</u>	<u>\$22,571,850</u>

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 8 – Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010 and 2009, the Township contracted for various types of insurance coverage as follows:

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

Ohio Government Risk Management Plan financial statements reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

<u>Combined Coverage</u>	<u>2010</u>	<u>2009</u>
Assets	\$12,036,541	\$11,176,186
Liabilities	(4,845,056)	(4,852,485)
Retained Earnings	<u>\$7,191,485</u>	<u>\$6,323,701</u>

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

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

**Note 9 – Retirement Systems**

**A. Ohio Public Employees Retirement System**

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

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.



**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 9 – Retirement Systems** – (continued)

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

For the year ended December 31, 2010, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan that was in law enforcement contributed 11.1 percent of their annual covered salary; members in public safety contributed 10.5 percent. The Township's contribution rate for pension benefits for 2010 was 8.91 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.87 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2009 was 8.12 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$11,217, \$9,972, and \$7,844 respectively. The full amount has been contributed for 2010, 2009, and 2008.

**Note 10 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2010 local government employer contribution rate was 14.0 percent of covered payroll (17.87 percent for public safety and law enforcement); 5.09 percent of covered payroll was the portion that was used to fund health care.

The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries.

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

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**Note 10 - Postemployment Benefits** (continued)

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

The number of active contributing participants in the traditional and combined plans for 2009 (the latest information available) were 357,584. The actual employer contributions for 2010 and 2009 which were used to fund postemployment benefits were \$6,408 and \$7,221 respectively. The actual value of OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) was \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.6 billion and \$18.9 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2009. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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

Board of Trustees  
Huntington Township, Ross County  
1111 Windy Ridge Road  
Chillicothe, OH 45601

We have audited the accompanying financial statement of Huntington Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 21, 2011, wherein we noted that the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

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

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

### **Compliance and Other Matters**

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

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

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

June 21, 2011

**HUNTINGTON TOWNSHIP, ROSS COUNTY**  
**Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2010 and 2009**

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<b>Description</b>	<b>Status</b>	<b>Comments</b>
<b><i>Government Auditing Standards:</i></b>		
1. Significant Deficiency - Cash receipts were not always posted to the correct revenue classification.	Corrected	N/A

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# Dave Yost • Auditor of State

HUNTINGTON TOWNSHIP

ROSS COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 9, 2011