



**HUNTINGTON TOWNSHIP
ROSS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HUNTINGTON TOWNSHIP
ROSS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Huntington Township
Ross County
8335 Blain Highway
Chillicothe, Ohio 45601

To the Board of Trustees

We have audited the accompanying financial statements of Huntington Township, Ross County, Ohio, (the Township) as of and for the years ended December 31, 2000 and December 31, 1999. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Huntington Township, Ross County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

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

JIM PETRO
Auditor of State

April 21, 2001

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**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, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$32,099	\$181,959	\$214,058
Intergovernmental Receipts	77,205	115,853	193,058
Earnings on Investments	4,510	1,217	5,727
Miscellaneous	7,072	12,608	19,680
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	120,886	311,637	432,523
Cash Disbursements:			
Current:			
Security of Persons and Property	0	383,501	383,501
Public Health Services	7,620	0	7,620
Public Works	32,000	216,872	248,872
General Government	62,278	0	62,278
Capital Outlay	25,435	205,937	231,372
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	127,333	806,310	933,643
Total Cash Receipts Over/(Under) Cash Disbursement	<hr/>	<hr/>	<hr/>
	(6,447)	(494,673)	(501,120)
Other Financing Receipts/(Disbursements):			
Proceeds of Notes	0	512,000	512,000
Sale of Assets	0	1,600	1,600
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	513,600	513,600
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(6,447)	18,927	12,480
Fund Cash Balances January 1	<hr/>	<hr/>	<hr/>
	20,376	77,432	97,808
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$13,929	\$96,359	\$110,288
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$100	\$3,000	\$3,100

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

**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, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property Tax and Other Local Taxes	\$30,906	\$145,068	\$175,974
Intergovernmental Receipts	51,687	103,014	154,701
Earnings on Investments	2,916	1,299	4,215
Miscellaneous	4,070	138	4,208
	<u>89,579</u>	<u>249,519</u>	<u>339,098</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	0	45,506	45,506
Public Health Services	6,480	0	6,480
Public Works	23,000	202,707	225,707
General Government	63,577	0	63,577
Capital Outlay	0	14,640	14,640
	<u>93,057</u>	<u>262,853</u>	<u>355,910</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,478)</u>	<u>(13,334)</u>	<u>(16,812)</u>
Other Financing Receipts/(Disbursements):			
Sale of Assets	0	2,610	2,610
	<u>0</u>	<u>2,610</u>	<u>2,610</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(3,478)</u>	<u>(10,724)</u>	<u>(14,202)</u>
Fund Cash Balances January 1	<u>23,854</u>	<u>88,156</u>	<u>112,010</u>
Fund Cash Balances, December 31	<u>\$20,376</u>	<u>\$77,432</u>	<u>\$97,808</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$3,317</u>	<u>\$3,317</u>

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

**HUNTINGTON TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Huntington Township, Ross County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including emergency ambulance and fire services, and maintains the Township roads and cemeteries.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. 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 to be accounted for in another fund.

Special Revenue Fund

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

Fire Fund - This fund receives real estate tax, tangible property tax, and homestead and rollback tax money for the utilities, insurance, and supplies for the Township Fire Department and EMS.

Road and Bridge Fund - This fund receives real estate tax, tangible personal property tax, and homestead and rollback tax money for the maintenance and upkeep of the Township roads and bridges.

**HUNTINGTON TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Fund (Continued)

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

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**HUNTINGTON TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ <u>110,288</u>	\$ <u>97,808</u>
Total deposits	\$ <u>110,288</u>	\$ <u>97,808</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 126,698	\$ 120,886	\$ (5,812)
Special Revenue	<u>832,580</u>	<u>825,237</u>	<u>(7,343)</u>
Total	<u>\$ 959,278</u>	<u>\$ 946,123</u>	<u>\$ (13,155)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 149,780	\$ 127,433	\$ 22,347
Special Revenue	<u>908,305</u>	<u>809,310</u>	<u>98,995</u>
Total	<u>\$ 1,058,085</u>	<u>\$ 936,743</u>	<u>\$ 121,342</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 96,152	\$ 89,579	\$ (6,573)
Special Revenue	<u>249,861</u>	<u>252,129</u>	<u>2,268</u>
Total	<u>\$ 346,013</u>	<u>\$ 341,708</u>	<u>\$ (4,305)</u>

**HUNTINGTON TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 121,685	\$ 93,057	\$ 28,628
Special Revenue	341,338	266,170	75,168
Total	\$ 463,023	\$ 359,227	\$ 103,796

4. PROPERTY TAX

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

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Backhoe - Vinton County National Bank	\$ 20,000	5.95%
Firehouse - Citizens National Bank	330,000	5.63%
Fire Vehicles - Citizens National Bank	162,000	5.63%
Total	\$ 512,000	

The Backhoe note relates to the purchase of a new Backhoe in 2000. The note will be repaid in annual installments of \$10,000, excluding interest, over two years.

The Firehouse Note relates to the purchase of the Fire Station located at 6038 Blain Highway, Chillicothe, Ohio, in 2000. The note will be repaid in semi-annual installments of \$38,385., including interest, over five years.

The Fire Vehicles Note relates to the purchase of Fire Equipment in 2000. The note will be repaid in semi-annual installments of \$18,844. including interest, over five years.

**HUNTINGTON TOWNSHIP
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	Backhoe	Fire Station	Fire Equipment
2001	\$ 11,190	\$ 76,771	\$ 37,688
2002	10,595	76,771	37,688
2003	0	76,771	37,688
2004	0	76,771	37,688
2005	0	76,771	37,688
Total	<u>\$ 21,785</u>	<u>\$ 383,855</u>	<u>\$ 188,440</u>

6. RETIREMENT SYSTEMS

The Township's full and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public officials liability
- Wrongful Acts
- Electronic Data Processing

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**REPORT ON COMPLIANCE AND INTERNAL CONTROL REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Huntington Township
Ross County
8335 Blain Highway
Chillicothe, Ohio 45601

To the Board of Trustees

We have audited the accompanying financial statements of Huntington Township, Ross County, Ohio (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 21, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated April 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Huntington Township
Ross County
Report on Compliance and Internal Control Required
By *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

April 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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HUNTINGTON TOWNSHIP

ROSS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 10, 2001**