



**Auditor of State  
Betty Montgomery**



VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

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**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Huntsville  
Logan County  
P. O. Box 107  
Huntsville, OH 43324

To the Village Council:

We have audited the accompanying financial statements of the Village of Huntsville, Logan County (the "Village") as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village'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 Village 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 the Village as of December 31, 2002 and 2001, 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 May 15, 2003, on our consideration of the Village'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, Village Council 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.

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

**Betty Montgomery**  
Auditor of State

May 15, 2003

VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$9,784	\$78,534			\$88,318
Intergovernmental Receipts	25,027	20,032		52,430	97,489
Charges for Services	15,000	22,494			37,494
Fines, Licenses, and Permits	195				195
Earnings on Investments	1,306	33			1,339
Miscellaneous	2,415	50			2,465
	<u>53,727</u>	<u>121,143</u>		<u>52,430</u>	<u>227,300</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	46,208	9,441			55,649
Leisure Time Activities	45,268				45,268
Community Environment	1,054				1,054
Transportation	10,687	20,395			31,082
General Government	34,867	18,502			53,369
Capital Outlay	26,350	9,366		29,770	65,486
	<u>164,434</u>	<u>57,704</u>		<u>29,770</u>	<u>251,908</u>
Total Receipts Over/(Under) Disbursements	<u>(110,707)</u>	<u>63,439</u>		<u>22,660</u>	<u>(24,608)</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Sale of Fixed Assets	12,242	4,158			16,400
Transfers-In	74,507				74,507
Transfers-Out		(60,850)			(60,850)
Other Financing Uses	(814)				(814)
	<u>85,935</u>	<u>(56,692)</u>			<u>29,243</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(24,772)	6,747		22,660	4,635
Fund Cash Balances, January 1	49,374	29,116	12		78,502
<b>Fund Cash Balances, December 31</b>	<u>\$24,602</u>	<u>\$35,863</u>	<u>\$12</u>	<u>\$22,660</u>	<u>\$83,137</u>
Reserves for Encumbrances, December 31		<u>\$6</u>			<u>\$6</u>

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

VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

**Operating Cash Receipts:**

Interest \$13,657

**Non-Operating Cash Expenditures:**

Transfers-Out 13,657

Net Receipts Over/(Under) Disbursements 0

Fund Cash Balance, January 1 272,000

**Fund Cash Balance, December 31** \$272,000

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



**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$8,259	\$71,322		\$79,581
Intergovernmental Receipts	18,147	20,556		38,703
Charges for Services	20,000	16,157		36,157
Fines, Licenses, and Permits	219			219
Earnings on Investments	7,022	153		7,175
Miscellaneous	3,020	4		3,024
	<u>56,667</u>	<u>108,192</u>		<u>164,859</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	53,891	9,200		63,091
Leisure Time Activities	31,543			31,543
Community Environment	1,665			1,665
Transportation	2,434	22,337		24,771
General Government	36,817	14,252		51,069
Capital Outlay	56,635	5,102		61,737
	<u>182,985</u>	<u>50,891</u>		<u>233,876</u>
<b>Total Cash Disbursements</b>				
	<u>182,985</u>	<u>50,891</u>		<u>233,876</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(126,318)</u>	<u>57,301</u>		<u>(69,017)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In	72,940			72,940
Transfers-Out		(57,496)		(57,496)
	<u>72,940</u>	<u>(57,496)</u>		<u>15,444</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>72,940</u>	<u>(57,496)</u>		<u>15,444</u>
Cash Receipts and Other Financing Receipts(Under) Cash Disbursements and Other Financing Disbursements	(53,378)	(195)		(53,573)
Fund Cash Balances, January 1	102,752	29,311	12	132,075
<b>Fund Cash Balances, December 31</b>	<u>\$49,374</u>	<u>\$29,116</u>	<u>\$12</u>	<u>\$78,502</u>
Reserves for Encumbrances, December 31	<u>\$35,019</u>	<u>\$227</u>		<u>\$35,246</u>

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

VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE - NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

<b>Operating Cash Receipts:</b>	
Interest	\$15,444
<b>Non-Operating Cash Disbursements:</b>	
Transfers-Out	<u>(15,444)</u>
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balance, January 1	<u>272,000</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$272,000</u></u>

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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Huntsville, Logan County, (the "Village") 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 Village is directed by a publicly-elected six-member Council. The Village provides park operations, street maintenance, and ambulance services. The Village contracts with the Logan County Sheriff's department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village 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. Cash and Investments**

The Village's checking account and certificate of deposit are valued at cost.

**D. Fund Accounting**

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

**1. 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.

**2. 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 Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (continued)**

*Income Tax Fund* – This fund receives income tax receipts which are then transferred to the General Fund to be used for Village operations.

*Ambulance Fund* – This fund receives charges for services and assistance from the County to pay for the operation and maintenance of the Village EMS department.

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

*Construction Fund* - This fund is used to account for funds received on behalf of the Village for the reconstruction of streets and highways that run through the Village and for upgrades to the Village park.

**4. Fiduciary Funds (Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Village had the following Nonexpendable Trust Fund:

*Utilities Trust Fund* – This fund was established when the Village sold its utilities. The interest earned is transferred to the General Fund to be used for the general operations of the Village per Ordinance #330.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Encumbrances**

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**F. 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.

**G. 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 Village's basis of accounting.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Demand deposits	\$83,137	\$78,502
Certificate of deposit	272,000	272,000
Total deposits	355,137	350,502

**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 ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$153,153	\$140,476	(\$12,677)
Special Revenue	127,758	125,301	(2,457)
Capital Projects	52,431	52,430	(1)
Nonexpendable Trust	15,444	13,657	(1,787)
Total	\$348,786	\$331,864	(\$16,922)

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$203,340	\$165,248	\$38,092
Special Revenue	132,140	118,560	13,580
Capital Projects	29,771	29,770	1
Nonexpendable Trust	15,444	13,657	1,787
Total	\$380,695	\$327,235	\$53,460

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$134,077	\$129,607	(\$4,470)
Special Revenue	122,877	108,192	(14,685)
Nonexpendable Trust	15,444	15,444	
Total	\$272,398	\$253,243	(\$19,155)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$258,694	\$218,004	\$40,690
Special Revenue	130,123	108,614	21,509
Nonexpendable Trust	15,444	15,444	
Total	\$404,261	\$342,062	\$62,199

The Village recorded the proceeds from the sale of a truck, purchased from the Special Revenue Street, Construction, and Maintenance Fund, into the General Fund. This transaction violated the requirements of Ohio Rev. Code Section 5705.10.

Appropriations exceeded estimated resources in several funds during 2001 which violated the requirements of Ohio Rev. Code Section 5705.39.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. 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 payments, the first half is due December 31. The second half payment is due the following June 20.

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

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 Village.

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of one (1%) percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village and those employing residents of the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. RETIREMENT SYSTEMS**

**A. Public Employees Retirement System**

Employees of the Village belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**B. Social Security System**

One Council member has elected Social Security. The Village's liability is 6.2 percent of wages paid.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**7. Risk Pool Membership**

The Government belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-occurrence limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: (latest information available)

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	19,358,458	\$17,112,129
Liabilities	<u>(8,827,588)</u>	<u>(7,715,035)</u>
Retained earnings	<u>\$10,530,870</u>	<u>\$9,397,094</u>

<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	1,890,323	\$1,575,614
Liabilities	<u>(469,100)</u>	<u>(281,561)</u>
Retained earnings	<u>\$1,421,223</u>	<u>\$1,294,053</u>



VILLAGE OF HUNTSVILLE  
LOGAN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)

**8. CONTINGENT LIABILITIES**

There is currently an unsettled claim against the Village related to worker's compensation. At this time, the outcome is unknown.

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

Village of Huntsville  
Logan County  
P.O. Box 107  
Huntsville, Ohio 43324

To the Village Council:

We have audited the financial statements of the Village of Huntsville, Logan County (the "Village") as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 15, 2003. 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 Village'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 15, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2002-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 15, 2003.

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

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

**Betty Montgomery**  
Auditor of State

May 15, 2003

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2002-001**

**Ohio Rev. Code Section 5705.10** states that proceeds from the sale of property other than a permanent improvement are to be paid into the fund from which such property was acquired or is maintained, or if there is no such fund, into the general fund.

During 2002, the Village sold a 1992 Ford Dump Truck for the sum of \$12,600 that was originally purchased for \$14,800 and paid for out of its General Fund in the amount of \$10,000 or 67% and its Special Revenue, Street Construction and Maintenance Fund in the amount of \$4,800 or 33%. The entire proceeds from the sale of this asset were recorded in the General Fund.

The Village has made the necessary adjustments to increase/decrease fund balances to properly reflect the proceeds from the sale of this truck. The financial statements in this report reflect these adjustments. These adjustments had the following effect upon the respective fund balances:

	General Fund	Special Revenue – Street Construction and Maintenance Fund
2002	(\$4,158)	\$4,158

The Village should implement monitoring procedures that will help assure that proceeds from the sale of assets are recorded in the funds that made that initially purchased the asset.

**FINDING NUMBER 2002-002**

**Ohio Rev. Code Section 5705.39** requires that the total appropriation from each fund should not exceed the total estimated resources. In addition, this Section states that no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

During 2001, the Village did not file appropriation amendments with the County Auditor, and as a result, the following funds had appropriations greater than estimated resources in the following amounts:

General Fund		
September 25, 2001	\$	4,818
December 31, 2001	\$	21,857
Special Revenue – Street Fund		
May 8, 2001	\$	350
December 31, 2001	\$	350
Non-Expendable Trust Fund		
November 27, 2001	\$	926
December 31, 2001	\$	926

**FINDING NUMBER 2002-002  
(Continued)**

The Village should implement procedures to help ensure that adopted appropriations do not exceed estimated resources and that all amendments be filed with the county auditor. In addition monitoring procedures should be implemented to help detect deficiencies in actual revenues so amendments may be made to appropriations and properly filed with the county auditor.

**FINDING NUMBER 2002-003**

**Monitoring of Budget versus Actual Activity**

To assist in the management of financial resources, a governing body should review and approve monthly budget versus actual receipt and expenditure reports. There was no evidence to indicate that the Council frequently reviewed monthly budget to actual information for both receipts and expenditures. There was evidence to indicate that the Council did reviewed budget to actual information for appropriations occasionally throughout the audit period.

The lack of a periodic review of budgetary reports by the Council could result in financial objectives not being achieved and/or the violation of budgetary laws. In addition, by not performing this function the Council is delegating their responsibility for the budget to the Clerk/Treasurer.

The Clerk/Treasurer should provide Council with monthly budgetary reports for their review and approval. Periodically Council and/or the finance committee should perform a review of the budgeted numbers presented in the accounting system to determine if they reflect the approved budget. Evidence of this review and approval should be maintained by the Village.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2000-30246-001	ORC 5705.41(D) - Prior certification	No	Partially corrected. Will repeat as a management letter citation
2000-30246-002	ORC 5705.39 - Appropriations exceeded estimated resources	No	Repeated as finding 2002-002







**Auditor of State  
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Facsimile 614-466-4490

**VILLAGE OF HUNTSVILLE**

**LOGAN 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  
JUNE 24, 2003**