



**Auditor of State
Betty Montgomery**

HUNTINGTON TOWNSHIP
GALLIA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	12

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Huntington Township
Gallia County
P.O. Box 212
Vinton, Ohio 45686

To the Board of Trustees:

We have audited the accompanying financial statements of Huntington Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002. 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. The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 of Huntington Township, Gallia County, as of December 31, 2003 and 2002, 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 September 10, 2004 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.

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Huntington Township
Gallia County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 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

September 10, 2004

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 12,531	\$ 10,518	\$ 23,049
Intergovernmental	18,188	78,890	97,078
Earnings on Investments	306	523	829
Other Revenue	122	300	422
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	31,147	90,231	121,378
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	25,368	2,006	27,374
Public Safety		11,343	11,343
Public Works		72,504	72,504
Capital Outlay	3,675		3,675
Debt Service:			
Redemption of Principal		7,110	7,110
Interest and Fiscal Charges		821	821
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	29,043	93,784	122,827
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	2,104	(3,553)	(1,449)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	24,034	137,381	161,415
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 26,138</u>	<u>\$ 133,828</u>	<u>\$ 159,966</u>

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

**HUNTINGTON TOWNSHIP
GALLIA 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 11,407	\$ 9,967	\$ 21,374
Intergovernmental	11,739	60,006	71,745
Earnings on Investments	481	888	1,369
Other Revenue	169	2,950	3,119
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	23,796	73,811	97,607
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	27,189		27,189
Public Safety		14,275	14,275
Public Works		53,598	53,598
Capital Outlay	3,181		3,181
Debt Service:			
Redemption of Principal		6,700	6,700
Interest and Fiscal Charges		1,231	1,231
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	30,370	75,804	106,174
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(6,574)	(1,993)	(8,567)
Fund Cash Balances, January 1	30,608	139,374	169,982
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 24,034</u>	<u>\$ 137,381</u>	<u>\$ 161,415</u>

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

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Huntington Township, Gallia 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 and a publicly-elected Clerk. The Township provides services that include road and bridge maintenance (public works), cemetery maintenance (health), and fire protection (public safety). The Township contracts with the Village of Vinton to provide fire protection.

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. Cash

All cash assets are maintained in an interest-bearing checking account.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is restricted as to use. The Township 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 Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

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

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 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.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2003 and 2002 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.

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>2003</u>	<u>2002</u>
Demand deposits	<u>\$ 159,966</u>	<u>\$ 161,415</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 33,353	\$ 31,147	\$ (2,206)
Special Revenue	92,490	90,231	(2,259)
Total	\$ 125,843	\$ 121,378	\$ (4,465)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 48,847	\$ 29,043	\$ 19,804
Special Revenue	214,759	93,784	120,975
Total	\$ 263,606	\$ 122,827	\$ 140,779

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 32,350	\$ 23,796	\$ (8,554)
Special Revenue	96,159	73,811	(22,348)
Total	\$ 128,509	\$ 97,607	\$ (30,902)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 62,959	\$ 30,370	\$ 32,589
Special Revenue	234,041	75,804	158,237
Total	\$ 297,000	\$ 106,174	\$ 190,826

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding 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 semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. PROPERTY TAX (Continued)

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 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. CAPITAL LEASE

The capital lease outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Road Grader Capital Lease	\$ 7,521	5.90%

The capital lease was obtained in 1999 to finance the purchase of a new Gallion/Dresser 850 Road Grader to be used for maintenance and repair of Township roads. The lease is collateralized by the equipment purchased and is being paid for from the Gasoline Tax Fund.

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

Year Ending December 31:	Road Grader Capital Lease
2004	\$ 7,931

6. RETIREMENT SYSTEM

The Township's elected officials and employees 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 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all employer contributions required through December 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



Auditor of State Betty Montgomery

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

Huntington Township
Gallia County
P.O. Box 212
Vinton, Ohio 45686

To the Board of Trustees:

We have audited the financial statements of Huntington Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 10, 2004, wherein we noted that the Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 instances of noncompliance that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated September 10, 2004.

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 a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to the Township's management in a separate letter dated September 10, 2004.

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Huntington Township
Gallia County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, 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

September 10, 2004

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Finding for Recovery – Repaid under Audit

Ohio Rev. Code Section 505.24(B)(5) provides that the Trustees may be paid \$37.62 for each day of service in the business of the township for not more than 200 days per year in 2003, when the Township has a budget between \$250,001 and \$500,000, and if the trustee was elected after December 8, 2000. This amounts to an annual salary of \$7,524.00.

Bill L. Petrie, Township Trustee, was overpaid for 2003. The Township Clerk compensated the Trustee at the rate of \$38.25 for 200 days of service (\$7,650.00); this resulted in overpayment of \$126.00. We also found that Medicare tax, in the amount of \$9.25, was added to his payroll check issued on July 31, 2003 rather than being deducted, resulting in an additional overpayment of \$18.50.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Bill L. Petrie, Township Trustee, Verna Easter, Township Clerk/Treasurer, and Western Surety Company, their bonding company, jointly and severally, in the amount of \$144.50, and in favor of the General Fund (\$7.22) and Gasoline Tax Fund (\$137.28).

This Finding for Recovery was repaid in full on September 7, 2004 to the credit of the General and Gasoline Tax Funds, in the amounts noted above.

FINDING NUMBER 2003-002

Finding for Recovery – Repaid under Audit

Ohio Rev. Code Section 505.24(B)(5) provides that the trustees may be paid \$37.62 for each day of service in the business of the township for not more than 200 days per year in 2003, when the township has a budget between \$250,001 and \$500,000, and if the trustee was elected after December 8, 2000. This amounts to an annual salary of \$7,524.

Roger Dale Shadwick, Township Trustee, was overpaid for 2003. The Township Clerk compensated the Trustee at the rate of \$38.25 for 200 days of service (\$7,650.00); this resulted in overpayment of \$126.00.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Roger Dale Shadwick, Township Trustee, Verna Easter, Township Clerk/Treasurer, and Western Surety Company, their bonding company, jointly and severally, in the amount of \$126.00, and in favor of the General Fund (\$6.30) and Gasoline Tax Fund (\$119.70).

This Finding for Recovery was repaid in full on September 7, 2004 to the favor of the General and Gasoline Tax Funds, in the amounts noted above.

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-001	A Finding for Recovery was issued under Ohio Rev. Code Section 505.24, against Bill Petrie, Trustee, for overpayment of compensation in the amount of \$1,400.40.	Yes	N/A
2001-002	A Finding for Recovery was issued under Ohio Rev. Code Section 505.24, against Jessie Collins, Trustee, for overpayment of compensation in the amount of \$1,400.40.	No	Partially Corrected: Trustee Collins is making monthly payments to the Township in the amount of \$50.
2001-003	A Finding for Recovery was issued under Ohio Rev. Code Section 505.24, against Walter (Dick) Neal, Trustee, for overpayment of compensation in the amount of \$1,400.40.	Yes	N/A



**Auditor of State
Betty Montgomery**

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HUNTINGTON TOWNSHIP

GALLIA 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
NOVEMBER 4, 2004**