

**Village of Huntsville,
Logan County
Financial Statements
December 31, 2006 and 2005**



Mary Taylor, CPA
Auditor of State

Village Council
Village of Huntsville
P.O. Box 107
Huntsville, OH 43324

We have reviewed the *Independent Auditors' Report* of the Village of Huntsville, Logan County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., for the audit period January 1, 2005 to December 31, 2006. 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.

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. The Village of Huntsville is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 18, 2007

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**Village of Huntsville
Logan County, Ohio
Financial Statements
December 31, 2006 and 2005**

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INDEPENDENT AUDITORS' REPORT

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

To the Honorable Mayor and Village Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Huntsville, Logan County, Ohio, (the Village), as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Huntsville, Logan County, Ohio, as of December 31, 2006 and 2005, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, the Street Construction

Maintenance and Repair, Income Tax, Utility Trust and Ambulance funds thereof for the years December 31, 2006 and 2005 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Taylor, Applegate, Hughes and Associates, Ltd.
June 20, 2007

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited**

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Government's financial activities for the year ended December 31, 2006, within the limitations of the Government's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

Highlights

Key highlights for 2006 are as follows:

Net assets of governmental activities noticed a modest increase over last year's receipts. Expenses were kept in check and so a small gain in balances was shown at year's end.

The Government's general receipts are primarily property and income taxes. These receipts represent respectively \$99,430.19 of the total cash received for governmental activities during the year. Income tax receipts for 2006 changed significantly due to the sewer project which increased construction throughout the village.

The Fire Department received a grant in the amount of \$9,750 for training and equipment. The EMS received \$7,000 for training and equipment through the State Fire Marshall Grant Program.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Government as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Government has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Government's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited**

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Government did financially during 2006, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Government's general receipts.

These statements report the Government's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Government's financial health. Over time, increases or decreases in the Government's cash position is one indicator of whether the Government's financial health is improving or deteriorating. When evaluating the Government's financial condition, you should also consider other non-financial factors as well such as the Government's property tax base, the condition of the Government's capital assets and infrastructure, the extent of the Government's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Government into two types of activities:

Governmental activities. Most of the Government's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Government's major funds – not the Government as a whole. The Government establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Government are split into two categories: governmental, and fiduciary.

Governmental Funds - Most of the Government's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's programs. The Government's significant governmental funds are presented on the financial

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited**

statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's major governmental funds are the General Fund, Street Construction Maintenance and Repair Fund, Income Tax Fund, Utility Trust Fund and Ambulance Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Government as a Whole

Table 1 provides a summary of the Government's net assets for 2006 compared to 2005 on a modified cash basis:

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Cash and Cash Equivalents	\$411,519	\$398,318			\$411,519	\$398,318
Investments					0	0
Total Assets	\$411,519	\$398,318	\$0	\$0	\$411,519	\$398,318
Net Assets						
Restricted for:						
Debt Service					\$0	\$0
Capital Outlay	9,307	11,407			9,307	11,407
Other Purposes	331,073	334,971			331,073	334,971
Unrestricted	71,139	51,940			71,139	51,940
Total Net Assets	\$411,519	\$398,318	\$0	\$0	\$411,519	\$398,318

As mentioned previously, net assets of governmental activities increased \$ 13,202 during 2006 as a result of growth in local tax receipts. Over the last year, new construction has resulted in increases. And the grants to the Fire Department and EMS have added to the overall picture of receipts. Spending was also kept in check.

Table 2 reflects the changes in net assets on a modified cash basis in 2006 and 2005 for governmental activities, business-type activities and total primary government.

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited**

(Table 2)
Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Receipts:						
Program Receipts:						
Charges for Services	\$56,914	\$52,199			\$56,914	\$52,199
Operating Grants and Contributions	39,809	37,671			39,809	37,671
Capital Grants and Contributions	7,000				7,000	0
Total Program Receipts	103,723	89,870	0	0	103,723	89,870
General Receipts:						
Property and Other Local Taxes	10,579	9,952			10,579	9,952
Income Taxes	88,851	82,728			88,851	82,728
Intergovernmental	17,719	28,592			17,719	28,592
Sale of Notes		12,000			0	12,000
Interest on Investment	8,347	3,939			8,347	3,939
Miscellaneous	4,259	15,173			4,259	15,173
Total General Receipts	129,755	152,384	0	0	129,755	152,384
Total Receipts	233,478	242,254	0	0	233,479	242,254
Disbursements:						
General Government	60,276	69,044			60,276	69,044
Security of Persons and Property:	84,360	61,349			84,360	61,349
Public Health Services					0	0
Leisure Time Activities	1,377	3,467			1,377	3,467
Community Environment	530	626			530	626
Basic Utilities	460	453			460	453
Transportation	33,752	37,793			33,752	37,793
Capital Outlay	30,205	56,775			30,205	56,775
Principal Retirement	5,490				5,490	0
Interest	510				510	0
Other Charges	3,316	3,544			3,316	3,544
Total Disbursements	220,276	233,051	0	0	220,277	233,051
Excess (Deficiency) Before Transfers	13,201	9,203	0	0	13,202	9,203
Transfers	0	0			0	0
Increase (Decrease) in Net Assets	13,201	9,203	0	0	13,202	9,203
Net Assets, January 1	398,318	389,115			398,318	389,115
Net Assets, December 31	\$411,519	\$398,318	\$0	\$0	\$411,519	\$398,318

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Program receipts represent 46 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges to nearby government for fire services provided under contract.

General receipts represent 53 percent of the Government's total receipts, and of this amount, over 81 percent are local taxes.

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Government activities. These include the costs of council, and the auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of police and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks and playing fields. Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Government. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for transportation and security of persons and property. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented.

The dependence upon property and income tax receipts is apparent as over 81 percent of governmental activities are supported through these general receipts.

The Government's Funds

Total governmental funds had receipts of \$225,132 and disbursements of \$216,691. Spending was curbed despite increases in salaries for street superintendent and clerk.

General Fund Budgeting Highlights

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

During 2006, the Government amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to unexpected growth in tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
Unaudited**

Capital Assets and Debt Administration

Debt

At December 31, 2006, the Government's outstanding debt included \$6,000 in general obligation notes issued for purchase of utility tractor in 2005 equipment.

Current Issues

The challenge for this Governing body is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. We are concerned with the recent passage of a school levy to build a new elementary school outside of the village, which provides considerable income. It is anticipated that the new school will be in operation by 2009. The village is currently challenged to promote growth and provide services that will attract adjoining property owners to incorporate into the Village.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Government's finances and to reflect the Government's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Roxie Tracy, Clerk-Treasurer, Ohio Local Government, 6940 Wishart Street, P. O. Box 107, Huntsville, Ohio 43324.

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2006

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 411,519	\$ 411,519
Investments	-	-
Total Assets	\$ 411,519	\$ 411,519
 Net Assets		
Restricted for:		
Capital Projects	\$ 9,307	\$ 9,307
Debt Service	-	-
Other Purposes	331,073	331,073
Unrestricted	71,139	71,139
Total Net Assets	\$ 411,519	\$ 411,519

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts				Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Security of Persons and Property	\$ 84,360	\$ 56,552	\$ -	\$ 7,000	\$ (20,808)
Leisure Time Activities	1,377	-	-	-	(1,377)
Community Environment	530	348	-	-	(182)
Basic Utility Services	460	-	-	-	(460)
Transportation	33,752	-	23,993	-	(9,760)
General Government	60,276	15	15,816	-	(44,445)
Capital Outlay	30,205	-	-	-	(30,205)
Debt Service:					
Principal	5,490	-	-	-	(5,490)
Interest	510	-	-	-	(510)
Other	3,316	-	-	-	(3,316)
Total Governmental Activities	220,277	56,914	39,809	7,000	(116,554)
Total Primary Government	\$ 220,277	\$ 56,914	\$ 39,809	\$ 7,000	\$ (116,554)
General Receipts					
Property Taxes					\$ 10,515
Municipal Income Taxes					88,851
Other Taxes					64
Grants and Entitlements not Restricted to Specific Programs					17,719
Investment Interest					8,347
Miscellaneous					4,259
Total General Receipts					129,755
Transfers					-
Total General Receipts and Transfers					129,755
Change in Net Assets					13,201
Net Assets Beginning of Year					398,318
Net Assets End of Year					\$ 411,519

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006**

	GENERAL	STREET CONST. MAINT.REP.	INCOME TAX	UTILITY TRUST	AMBULANCE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 71,139	\$ 5,886	\$ 422	\$ -	\$ 49,590	\$ 12,483	\$ 139,519
Investments	-	-	-	272,000	-	-	272,000
Total Assets	<u>\$ 71,139</u>	<u>\$ 5,886</u>	<u>\$ 422</u>	<u>\$ 272,000</u>	<u>\$ 49,590</u>	<u>\$ 12,483</u>	<u>\$ 411,519</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$ 136	\$ 538	\$ -	\$ -	\$ 38	\$ -	\$ 712
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	71,003	-	-	-	-	-	71,003
Special Revenue Funds	-	5,348	422	272,000	49,552	3,176	330,497
Debt Service Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	9,307	9,307
Permanent Fund	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 71,139</u>	<u>\$ 5,886</u>	<u>\$ 422</u>	<u>\$ 272,000</u>	<u>\$ 49,590</u>	<u>\$ 12,483</u>	<u>\$ 411,519</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	GENERAL	STREET CONST. MAINT.REP.	INCOME TAX	UTILITY TRUST	AMBULANCE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$ 10,579	\$ -	\$ -		\$ -	\$ -	\$ 10,579
Municipal Income Taxes	-	-	88,851		-	-	88,851
Intergovernmental	27,469	22,193	-		7,000	1,799	58,461
Special Assessments	-	-	-		-	-	-
Charges for Services	27,500	-	-		29,052	-	56,552
Fines, Licenses and Permits	363	-	-		-	-	363
Earnings on Investments	5,815	88	-	8,347	-	42	14,291
Miscellaneous	4,381	-	-	-	-	-	4,381
Total Receipts	<u>76,106</u>	<u>22,281</u>	<u>88,851</u>	<u>8,347</u>	<u>36,052</u>	<u>1,842</u>	<u>233,479</u>
Disbursements							
Current:							
Security of Persons and Property	70,161	-	-		14,199	-	84,360
Public Health Services	-	-	-		-	-	-
Leisure Time Activities	1,377	-	-		-	-	1,377
Community Environment	530	-	-		-	-	530
Basic Utility Services	-	460	-		-	-	460
Transportation	8,503	24,084	-		-	1,165	33,752
General Government	42,743	-	16,755		778	-	60,276
Capital Outlay	4,948	1,157	-		22,000	2,100	30,205
Debt Service:							
Principal Retirement	5,490	-	-		-	-	5,490
Interest and Fiscal Charges	510	-	-		-	-	510
Total Disbursements	<u>134,262</u>	<u>25,701</u>	<u>16,755</u>	<u>-</u>	<u>36,978</u>	<u>3,265</u>	<u>216,961</u>
Excess of Receipts Over (Under) Disbursements	<u>(58,156)</u>	<u>(3,420)</u>	<u>72,096</u>	<u>8,347</u>	<u>(926)</u>	<u>(1,424)</u>	<u>16,518</u>
Other Financing Sources (Uses)							
Sale of Bonds	-	-	-		-	-	-
Sale of Notes	-	-	-		-	-	-
Other Debt Proceeds	-	-	-		-	-	-
Premium and Accrued Interest on Debt	-	-	-		-	-	-
Discount on Debt	-	-	-		-	-	-
Sale of Fixed Assets	-	-	-		-	-	-
Transfers In	80,672	-	-		-	-	80,672
Transfers Out	-	-	(72,325)	(8,347)	-	-	(80,672)
Advances In	-	-	-		-	-	-
Advances Out	-	-	-		-	-	-
Other Financing Sources	-	-	-		-	-	-
Other Financing Uses	(3,316)	-	-		-	-	(3,316)
Total Other Financing Sources (Uses)	<u>77,355</u>	<u>-</u>	<u>(72,325)</u>	<u>(8,347)</u>	<u>-</u>	<u>-</u>	<u>(3,316)</u>
Net Change in Fund Balances	19,199	(3,420)	(228)	-	(926)	(1,424)	13,202
Fund Balances Beginning of Year	51,940	9,306	650	272,000	50,516	13,906	398,318
Fund Balances End of Year	<u>\$ 71,139</u>	<u>\$ 5,886</u>	<u>\$ 422</u>	<u>\$ 272,000</u>	<u>\$ 49,590</u>	<u>\$ 12,483</u>	<u>\$ 411,519</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 10,305	\$ 10,305	\$ 10,579	\$ 274
Municipal Income Taxes	-	-	-	-
Intergovernmental	18,794	18,794	27,469	8,675
Special Assessments	-	-	-	-
Charges for Services	27,500	27,500	27,500	-
Fines, Licenses and Permits	325	325	363	38
Earnings on Investments	3,600	3,600	5,815	2,215
Miscellaneous	4,300	4,300	4,381	81
Total Receipts	<u>64,824</u>	<u>64,824</u>	<u>76,106</u>	<u>11,282</u>
Disbursements				
Current:				
Security of Persons and Property	42,466	76,034	70,182	5,851
Public Health Services	-	-	-	-
Leisure Time Activities	3,500	6,000	1,377	4,623
Community Environment	530	555	530	25
Basic Utility Services	-	-	-	-
Transportation	6,214	10,400	8,503	1,897
General Government	45,548	62,322	42,858	19,464
Capital Outlay	6,000	17,000	4,948	12,052
Debt Service:				
Principal Retirement	-	6,000	5,490	510
Interest and Fiscal Charges	-	1,000	510	490
Total Disbursements	<u>104,259</u>	<u>179,310</u>	<u>134,398</u>	<u>44,912</u>
Excess of Receipts Over (Under) Disbursements	<u>(39,435)</u>	<u>(114,486)</u>	<u>(58,292)</u>	<u>(33,630)</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	6,000	6,000	-	(6,000)
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	69,188	69,188	80,672	11,484
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	(3,000)	(4,000)	(3,316)	684
Total Other Financing Sources (Uses)	<u>72,188</u>	<u>71,188</u>	<u>77,355</u>	<u>6,168</u>
Net Change in Fund Balance	32,753	(43,299)	19,063	(27,462)
Fund Balance Beginning of Year	51,804	51,804	51,804	-
Prior Year Encumbrances Appropriated	136	136	136	-
Fund Balance End of Year	<u>\$ 84,693</u>	<u>\$ 8,641</u>	<u>\$ 71,003</u>	<u>\$ (27,462)</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Csh Balance - Budget and Actual -Budget Basis
Street Construction Maintenance and Repair
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	24,900	24,900	22,193	(2,707)
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	53	53	88	35
Miscellaneous	-	-	-	-
Total Receipts	<u>24,953</u>	<u>24,953</u>	<u>22,281</u>	<u>(2,672)</u>
Disbursements				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	460	460	460	-
Transportation	30,862	31,810	24,622	7,188
General Government	-	-	-	-
Capital Outlay	2,500	2,526	1,157	1,369
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>33,822</u>	<u>34,797</u>	<u>26,239</u>	<u>8,558</u>
Excess of Receipts Over (Under) Disbursements	<u>(8,869)</u>	<u>(9,844)</u>	<u>(3,958)</u>	<u>(11,230)</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(8,869)	(9,844)	(3,958)	(11,230)
Fund Balance Beginning of Year	8,768	8,768	8,768	-
Prior Year Encumbrances Appropriated	538	538	538	-
Fund Balance End of Year	<u>\$ 437</u>	<u>\$ (538)</u>	<u>\$ 5,348</u>	<u>\$ (11,230)</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Income Tax
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	85,000	90,000	88,851	(1,149)
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>85,000</u>	<u>90,000</u>	<u>88,851</u>	<u>(1,149)</u>
Disbursements				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	19,813	17,675	16,755	920
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>19,813</u>	<u>17,675</u>	<u>16,755</u>	<u>920</u>
Excess of Receipts Over (Under) Disbursements	<u>65,188</u>	<u>72,325</u>	<u>72,096</u>	<u>(2,069)</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(65,188)	(72,325)	(72,325)	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>(65,188)</u>	<u>(72,325)</u>	<u>(72,325)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(228)	(2,069)
Fund Balance Beginning of Year	650	650	650	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 650</u>	<u>\$ 650</u>	<u>\$ 422</u>	<u>\$ (2,069)</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Utility Trust
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	8,347	8,347
Miscellaneous	-	-	-	-
Total Receipts	<u>-</u>	<u>-</u>	<u>8,347</u>	<u>8,347</u>
Disbursements				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	<u>-</u>	<u>-</u>	<u>8,347</u>	<u>8,347</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(8,347)	(8,347)
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,347)</u>	<u>(8,347)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning of Year	272,000	272,000	272,000	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 272,000</u>	<u>\$ 272,000</u>	<u>\$ 272,000</u>	<u>\$ -</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Ambulance
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	7,000	7,000	7,000	-
Special Assessments	-	-	-	-
Charges for Services	23,898	30,898	29,052	(1,846)
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	30,898	37,898	36,052	(1,846)
Disbursements				
Current:				
Security of Persons and Property	10,530	17,568	14,237	3,331
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	800	850	778	72
Capital Outlay	8,000	29,000	22,000	7,000
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	19,330	47,418	37,016	10,402
Excess of Receipts Over (Under) Disbursements	11,568	(9,520)	(964)	(12,249)
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	11,568	(9,520)	(964)	(12,249)
Fund Balance Beginning of Year	50,477	50,477	50,477	-
Prior Year Encumbrances Appropriated	38	38	38	-
Fund Balance End of Year	\$ 62,084	\$ 40,995	\$ 49,552	\$ (12,249)

See accompanying notes to the financial statements

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Government's financial activities for the year ended December 31, 2005, within the limitations of the Government's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities did not represent a significant change from the prior year. The Village did recognize an increase in receipts in the amount of \$4,159 from Charter Cable Communications and also from an insurance settlement in the amount of \$8,622 due to a fire at the municipal garage.

The Government's general receipts are primarily property and income taxes. These receipts represent respectively \$92,680 of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Government has slowed. However, due to the sewer project, Village income tax receipts consistently increased as work progressed from July through December.

The Village purchased a utility tractor and borrowed \$12,000 from the Fifth Third Bank to secure the purchase and not strap the General Fund.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Government as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Government has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Government's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Government did financially during 2005, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Government's general receipts.

These statements report the Government's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Government's financial health. Over time, increases or decreases in the Government's cash position is one indicator of whether the Government's financial health is improving or deteriorating. When evaluating the Government's financial condition, you should also consider other nonfinancial factors as well such as the Government's property tax base, the condition of the Government's capital assets and infrastructure, the extent of the Government's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Government into two types of activities:

Governmental activities. Most of the Government's basic services are reported here, including police protection, fire, streets and parks. State and federal grants and income and property taxes finance some of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Government's major funds – not the Government as a whole. The Government establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Government are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Government's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's programs. The Government's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's major governmental funds are the General Fund, Street Construction Maintenance and Repair Fund, Income Tax Fund, Utility Trust Fund and Ambulance Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Government charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village does not have any proprietary funds.

The Government as a Whole

Table 1 provides a summary of the Government's net assets for 2005 compared to 2004 on a modified cash basis:

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Cash and Cash Equivalents	\$ 398,318	\$ 389,115			\$ 398,318	\$ 389,115
Investments						
Total Assets	\$ 398,318	\$ 389,115	\$ -	\$ -	\$ 398,318	\$ 389,115
Net Assets						
Restricted for:						
Capital Outlay	\$ 11,407	\$ 16,038			\$ 11,407	\$ 16,038
Other Purposes	334,971	319,024			334,971	319,024
Unrestricted	51,940	54,053			51,940	54,053
Total Net Assets	\$ 398,318	\$ 389,115	\$ -	\$ -	\$ 398,318	\$ 389,115

As mentioned previously, net assets of governmental activities increased slightly due to an insurance settlement for a fire at the municipal garage. Also the sewer project increased receipts from the one per cent Huntsville income tax which resulted in an increase to the general fund.

The Village purchased a utility tractor for the Street Department which resulted in borrowing \$12,000 from Fifth Third Bank of Western Ohio.

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

(Table 2)
Changes in Net Assets

	Governmental Activities 2005	Business Type Activities 2005	Total 2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$52,199		\$52,199
Operating Grants and Contributions	37,671		37,671
Capital Grants and Contributions			0
Total Program Receipts	89,870	0	89,870
General Receipts:			
Property and Other Local Taxes	9,952		9,952
Income Taxes	82,728		82,728
Grants and Entitlements Not Restricted to Specific Programs	40,592		0
Interest on Investment	3,939		3,939
Miscellaneous	15,173		15,173
Total General Receipts	152,384	0	152,384
Total Receipts	242,254	0	242,254
Disbursements:			
General Government	69,044		69,044
Security of Persons and Property:	61,349		61,349
Public Health Services			0
Leisure Time Activities	3,467		3,467
Community Environment	626		626
Basic Utilities	453		453
Transportation	37,793		37,793
Capital Outlay	56,775		56,775
Principal Retirement			0
Other Charges	3,544		3,544
Water			0
Total Disbursements	233,051	0	233,051
Excess (Deficiency) Before Transfers	9,203	0	9,203
Transfers	0		0
Increase (Decrease) in Net Assets	9,203	0	9,203
Net Assets, January 1, 2005	389,115		389,115
Net Assets, December 31, 2005	\$398,318	\$0	\$398,318

Table 2 reflects net assets in 2005. Since the Government did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented.

In future years, when prior year information is available, a comparative analysis will be presented.

Program receipts represent only 37 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and fire contracts.

General receipts represent 61 percent of the Government's total receipts, and of this amount, over 62 percent are local taxes.

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Government activities. These include the costs of council, and the

**Village of Huntsville
Logan County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of police and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks and playing fields. Transportation is the cost of maintaining the roads.

The Government's Funds

Total governmental funds had receipts of \$242,354 and disbursements of \$233,051. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$2,105.00 as the result of increased costs for gasoline, utilities, insurance liability costs, and OPERS increases.

General Fund Budgeting Highlights

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

During 2005, the Government amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts due to cable franchise receipts above expectations. Also, an insurance settlement added to the village revenue. The difference between final budgeted receipts and actual receipts was not significant. Final disbursements were budgeted at \$183,778, while actual disbursements were \$158,021.

Capital Assets and Debt Administration

Capital Assets

The Government does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2005, the Government's outstanding debt included \$12,000.00 in general obligation bonds issued for purchase of street equipment.

Current Issues

The Village of Huntsville relies on the Huntsville income tax for much of its day to day operation. The Village also considers the fire contract with McArthur Township a very important source of income to operate the fire department.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Government's finances and to reflect the Government's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Roxie Tracy, Clerk-Treasurer, Village of Huntsville, 6740 Wishart Street., Huntsville, Ohio, 43324.

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Net Assets - Cash Basis
December 31, 2005

	Governmental Activities	Total
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 398,318	\$ 398,318
Investments	-	-
Total Assets	\$ 398,318	\$ 398,318
 Net Assets		
Restricted for:		
Capital Projects	\$ 11,407	\$ 11,407
Debt Service	-	-
Other Purposes	334,971	334,971
Unrestricted	51,940	51,940
Total Net Assets	\$ 398,318	\$ 398,318

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Activities - Cash Basis
For the Year Ended December 31, 2005**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Security of Persons and Property	\$ 61,349	\$ 51,991	\$ -	\$ (9,358)
Leisure Time Activities	3,466	-	-	(3,466)
Community Environment	626	183	-	(443)
Basic Utility Services	453	-	-	(453)
Transportation	37,793	-	25,831	(11,962)
General Government	69,044	25	11,839	(57,180)
Capital Outlay	56,775	-	-	(56,775)
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	3,544	-	-	(3,544)
Total Governmental Activities	233,051	52,199	37,671	(143,182)
Total Primary Government	\$ 233,051	\$ 52,199	\$ 37,671	\$ (143,182)
General Receipts				
Property Taxes				\$ 9,900
Municipal Income Taxes				82,728
Other Taxes				52
Grants and Entitlements not Restricted to Specific Programs				28,592
Sale of Notes				12,000
Sale of Fixed Assets				240
Interest				3,939
Miscellaneous				14,933
Total General Receipts				152,384
Transfers				-
Total General Receipts and Transfers				152,384
Change in Net Assets				9,202
Net Assets Beginning of Year				389,115
Net Assets End of Year				\$ 398,318

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	GENERAL	STREET CONST. MAINT.REP.	INCOME TAX	UTILITY TRUST	OTHER SPECIAL REVENUE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 51,940	\$ 9,306	\$ 650	\$ -	\$ 50,516	\$ 13,906	\$ 126,318
Investments	-	-	-	272,000	-	-	\$ 272,000
Total Assets	<u>\$ 51,940</u>	<u>\$ 9,306</u>	<u>\$ 650</u>	<u>\$ 272,000</u>	<u>\$ 50,516</u>	<u>\$ 13,906</u>	<u>\$ 398,318</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	51,940	-	-	-	-	-	51,940
Special Revenue Funds	-	9,306	650	272,000	50,516	2,499	334,971
Debt Service Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	11,407	11,407
Permanent Fund	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 51,940</u>	<u>\$ 9,306</u>	<u>\$ 650</u>	<u>\$ 272,000</u>	<u>\$ 50,516</u>	<u>\$ 13,906</u>	<u>\$ 398,318</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	GENERAL	STREET CONST. MAINT.REP.	INCOME TAX	UTILITY TRUST	OTHER SPECIAL REVENUE	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts							
Property and Other Local Taxes	\$ 9,952	\$ -	\$ -		\$ -	\$ -	\$ 9,952
Municipal Income Taxes	-	-	82,728		-	-	82,728
Intergovernmental	18,728	23,894	-		10,114	9,905	62,642
Special Assessments	-	-	-		-	-	-
Charges for Services	27,500	-	-		24,491	-	51,991
Fines, Licenses and Permits	208	-	-		-	-	208
Earnings on Investments	3,341	52	-	3,939	-	20	7,353
Miscellaneous	15,040	-	-	-	100	-	15,140
Total Receipts	<u>74,769</u>	<u>23,946</u>	<u>82,728</u>	<u>3,939</u>	<u>34,706</u>	<u>9,926</u>	<u>230,014</u>
Disbursements							
Current:							
Security of Persons and Property	51,840	-	-		9,509	-	61,349
Public Health Services	-	-	-		-	-	-
Leisure Time Activities	3,466	-	-		-	-	3,466
Community Environment	626	-	-		-	-	626
Basic Utility Services	-	453	-		-	-	453
Transportation	8,733	27,950	-		-	1,110	37,793
General Government	53,133	-	15,109		803	-	69,044
Capital Outlay	40,558	1,450	-		9,530	5,237	56,775
Debt Service:							
Principal Retirement	-	-	-		-	-	-
Interest and Fiscal Charges	-	-	-		-	-	-
Total Disbursements	<u>158,356</u>	<u>29,853</u>	<u>15,109</u>	<u>-</u>	<u>19,841</u>	<u>6,348</u>	<u>229,508</u>
Excess of Receipts Over (Under) Disbursements	<u>(83,587)</u>	<u>(5,907)</u>	<u>67,618</u>	<u>3,939</u>	<u>14,864</u>	<u>3,578</u>	<u>506</u>
Other Financing Sources (Uses)							
Sale of Bonds	-	-	-		-	-	-
Sale of Notes	12,000	-	-		-	-	12,000
Other Debt Proceeds	-	-	-		-	-	-
Premium and Accrued Interest on Debt	-	-	-		-	-	-
Discount on Debt	-	-	-		-	-	-
Sale of Fixed Assets	-	240	-		-	-	240
Transfers In	73,025	7,968	-		-	-	80,993
Transfers Out	-	-	(68,993)	(4,032)	-	(7,968)	(80,993)
Advances In	-	-	-		-	-	-
Advances Out	-	-	-		-	-	-
Other Financing Sources	-	-	-		-	-	-
Other Financing Uses	<u>(3,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,544)</u>
Total Other Financing Sources (Uses)	<u>81,482</u>	<u>8,208</u>	<u>(68,993)</u>	<u>(4,032)</u>	<u>-</u>	<u>(7,968)</u>	<u>8,697</u>
Net Change in Fund Balances	(2,105)	2,301	(1,375)	(93)	14,864	(4,390)	9,203
Fund Balances Beginning of Year	<u>54,045</u>	<u>7,004</u>	<u>2,025</u>	<u>272,093</u>	<u>35,651</u>	<u>18,296</u>	<u>389,115</u>
Fund Balances End of Year	<u>\$ 51,940</u>	<u>\$ 9,306</u>	<u>\$ 650</u>	<u>\$ 272,000</u>	<u>\$ 50,516</u>	<u>\$ 13,906</u>	<u>\$ 398,318</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 9,810	\$ 9,930	\$ 9,952	\$ 22
Municipal Income Taxes	-	-	-	-
Intergovernmental	18,009	19,162	18,728	(434)
Special Assessments	-	-	-	-
Charges for Services	27,500	27,500	27,500	-
Fines, Licenses and Permits	325	325	208	(117)
Earnings on Investments	1,200	3,465	3,341	(124)
Miscellaneous	2,800	10,000	15,040	5,040
Total Receipts	<u>59,644</u>	<u>70,382</u>	<u>74,769</u>	<u>4,387</u>
Disbursements				
Current:				
Security of Persons and Property	61,011	61,011	51,840	9,192
Public Health Services	-	-	-	-
Leisure Time Activities	6,300	5,880	3,466	2,414
Community Environment	622	622	626	30
Basic Utility Services	-	-	-	-
Transportation	11,774	13,374	8,733	4,739
General Government	54,898	62,319	53,133	9,369
Capital Outlay	41,000	40,572	40,558	14
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>175,605</u>	<u>183,778</u>	<u>158,356</u>	<u>25,757</u>
Excess of Receipts Over (Under) Disbursements	<u>(115,961)</u>	<u>(113,395)</u>	<u>(83,587)</u>	<u>30,144</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	12,000	12,000	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	72,000	74,512	73,025	(1,487)
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	(4,000)	(4,000)	(3,544)	456
Total Other Financing Sources (Uses)	<u>68,000</u>	<u>82,512</u>	<u>81,482</u>	<u>(1,030)</u>
Net Change in Fund Balance	(47,961)	(30,884)	(2,105)	29,114
Fund Balance Beginning of Year	53,374	53,374	53,374	-
Prior Year Encumbrances Appropriated	<u>671</u>	<u>671</u>	<u>671</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 6,085</u>	<u>\$ 23,162</u>	<u>\$ 51,940</u>	<u>\$ 29,114</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Street Construction Maintenance and Repair
For the Year Ended December 31, 2005

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	24,000	24,000	23,894	(106)
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	18	31	52	21
Miscellaneous	-	-	-	-
Total Receipts	<u>24,018</u>	<u>24,031</u>	<u>23,946</u>	<u>(85)</u>
Disbursements				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	750	750	453	297
Transportation	28,272	34,888	27,950	6,400
General Government	-	-	-	-
Capital Outlay	2,000	2,000	1,450	550
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>31,022</u>	<u>37,638</u>	<u>29,853</u>	<u>7,247</u>
Excess of Receipts Over (Under) Disbursements	<u>(7,004)</u>	<u>(13,607)</u>	<u>(5,907)</u>	<u>7,163</u>
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	240	240
Transfers In	-	7,419	7,968	549
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,419</u>	<u>8,208</u>	<u>789</u>
Net Change in Fund Balance	(7,004)	(6,188)	2,301	7,952
Fund Balance Beginning of Year	6,401	6,401	6,401	-
Prior Year Encumbrances Appropriated	604	604	604	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ 817</u>	<u>\$ 9,306</u>	<u>\$ 7,952</u>

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	75,000	82,130	82,728	597
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	75,000	82,130	82,728	597
Disbursements				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	14,188	15,163	15,109	53
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	14,188	15,163	15,109	53
Excess of Receipts Over (Under) Disbursements	60,813	66,968	67,618	650
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(62,838)	(68,993)	(68,993)	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	(62,838)	(68,993)	(68,993)	-
Net Change in Fund Balance	(2,025)	(2,025)	(1,375)	650
Fund Balance Beginning of Year	2,025	2,025	2,025	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ (0)	\$ (0)	\$ 650	\$ 650

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Utility Trust
For the Year Ended December 31, 2005

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes				-
Intergovernmental				-
Special Assessments				-
Charges for Services				-
Fines, Licenses and Permits				-
Earnings on Investments			3,939	(3,939)
Miscellaneous				
Total receipts	-	-	3,939	(3,939)
Disbursements				
Current:				
Security of Persons and Property				-
Public Health Services				-
Leisure Time Activities				-
Community Environment				-
Basic Utility Services				-
Transportation				-
General Government				-
Capital Outlay				-
Debt Service:				
Principal Retirement				-
Interest and Fiscal Charges				-
Total Disbursements	-	-	-	-
Excess of Receipts Over (Under) Disbursements	-	-	3,939	3,939
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(4,032)	(4,032)
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(4,032)	(4,032)
Net Change in Fund Balance	-	-	(93)	(93)
Fund Balance Beginning of Year	272,093	272,093	272,093	272,093
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 272,000	\$ 272,000	\$ 272,000	\$ 272,000

See accompanying notes to the financial statements

VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Cash Balance - Budget and Actual -Budget Basis
Ambulance
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	5,000	5,000	10,114	5,114
Special Assessments	-	-	-	-
Charges for Services	21,898	21,898	24,491	2,593
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	100	100
Total receipts	26,898	26,898	34,706	7,808
Disbursements				
Current:				
Security of Persons and Property	16,113	16,113	9,507	6,607
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	1,100	1,100	803	298
Capital Outlay	12,000	12,000	9,530	2,470
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	29,213	29,213	19,839	9,374
Excess of Receipts Over (Under) Disbursements	(2,315)	(2,315)	14,866	17,182
Other Financing Sources (Uses)				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(2,315)	(2,315)	14,866	17,182
Fund Balance Beginning of Year	35,607	35,607	35,607	-
Prior Year Encumbrances Appropriated	44	44	44	-
Fund Balance End of Year	\$ 33,336	\$ 33,336	\$ 50,518	\$ 17,182

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 1 – Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Huntsville, Logan County, Ohio (the Village) as a body corporate and politic. A publicly elected six-member Council governs the Village. The Village provides park operations, street repair and maintenance, and ambulance services.

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (such as when an encumbrance is approved).

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

These statements adequately disclose material matters, in accordance with the basis of accounting described in the preceding paragraph.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Village classifies its funds into the following types.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the Village's major governmental funds:

General Fund – The General Fund reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Utility Trust Fund – This fund was established when the village sold its utilities. The principal can not be used unless voted on by the residents of the Village. The interest may be used by any means the Village Council deems necessary.

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.

Other governmental funds of the Village are used to account for grants and other resources, and capital projects whose use is restricted to a particular purpose.

C. Basis of Presentation

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

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Village as a whole.

The statement of net assets presents the financial condition of the governmental activities of the Village at December 31, 2006 and 2005. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a modified cash basis or draws from the general revenues of the Village.

Fund Financial Statements - The Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually. All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 2 – Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

The Village maintains a cash and investments pool which are used by all funds.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2006, the Village invested in nonnegotiable certificates of deposit and the nonnegotiable certificates of deposit are reported at cost adjusted by earned interest.

F. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

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

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 2 – Summary of Significant Accounting Policies (continued)

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Village's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when enabling legislation or creditor, grantors, or other external factors impose limitations on its use.

L. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 3 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

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

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

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

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 3 – Deposits and Investments (continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2005 and 2006 none of the Village's deposits were exposed to custodial credit risk.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is (*and any major special revenue fund are*) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the *modified* cash basis is (are) outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (*modified* cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (*modified* cash basis)). The encumbrances outstanding at December 31, 2005 (budgetary basis) amounted to \$136 for the general fund, \$538 for the Street Construction Maintenance and Repair and \$38 for the Ambulance.

Note 5 – Local Income Tax

The Village levies a municipal income tax of one 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 are required to withhold income tax on employee earnings and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers are also required to pay their estimated taxes quarterly and file a declaration annually.

Note 6 – Property Tax

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2005 (2006) represent the collection of 2004 (2005) taxes. Real property taxes received in 2005 (2006) were levied after October 1, 2004 (2005), on the assessed values as of January 1, 2004 (2005), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid semiannually, the first payment is due on the third Wednesday in February, with the remainder payable by the third Wednesday in July.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 6 – Property Tax (continued)

Public utility property tax receipts received in 2005 (2006) represent the collection of 2004 (2005) taxes. Public utility real and tangible personal property taxes received in 2005 (2006) became a lien on December 31, 2004 (2005), were levied after October 1, 2004 (2005), and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (2006) (other than public utility property) represent the collection of 2005 (2006) taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004 (2005), on the true value as of December 31, 2004 (2005). Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the year ended December 31, 2005 (2006), was \$2.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which and 2006 and 2005 property tax receipts were based are as follows:

<u>2006</u>	
Real Property	
Residential	\$ 3,769,310
Agriculture	19,350
Commercial/Industrial/Mineral	626,4320
Public Utility - Personal	349,500
Tangible Personal Property	360,370
Total Assessed Value	\$ 5,088,960

<u>2005</u>	
Real Property	
Residential	\$ 8,195,480
Agriculture	32,070
Commercial/Industrial/Mineral	749,860
Public Utility - Personal	271,320
Tangible Personal Property	508,430
Total Assessed Value	\$ 5,077,280

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 7 – Risk Management

Risk Pool Membership

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage 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

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 or \$3,000,000 as noted above.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 7 – Risk Management, continued

\$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2006 and 2005 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$30,997,868	\$29,719,675
Liabilities	<u>(15,875,741)</u>	<u>(15,994,168)</u>
Retained earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$5,125,326	\$4,443,332
Liabilities	<u>(863,163)</u>	<u>(1,068,245)</u>
Retained earnings	<u>\$4,262,163</u>	<u>\$3,378,087</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$14.4 million and \$14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.4 million and \$14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Government's share of these unpaid claims collectible in future years is approximately \$25,000. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 7 – Risk Management, continued

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2005	\$12,170
2006	\$12,615

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village 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.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 8 – Defined Benefit Pension Plans, 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, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. The Village's contribution rate for pension benefits for 2006 was 13.70 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Village's contribution rate for pension benefits for 2005 was 13.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$4,033, \$3,997, and \$4,175 respectively.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 9 - Post Employment Benefits

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 Post Employment 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 2006 local government employer contribution rate was 13.70 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 and 6.00 percent for the next nine years. In subsequent years, (ten and beyond) health care costs were assumed to increase at 4.00 percent.

All investments are carried at market value. 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. Actual employer contributions for 2006 which were used to fund post employment benefits were \$41,176. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$ 11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005**

Note 10 – Debt

The Village’s long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance 12/31/05	Proceeds	Payments	Balance 12/31/06	Due Within One Year
<u>Governmental:</u>						
Fifth Third Bank	4.19%	\$ 12,000	\$ -	\$ (5,490)	\$ 6,510	\$ 6,510
Total		<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ (5,490)</u>	<u>\$ 6,510</u>	<u>\$ 6,510</u>

The Village’s long-term debt activity for the year ended December 31, 2005, was as follows:

	Interest Rate	Balance 12/31/04	Proceeds	Payments	Balance 12/31/05	Due Within One Year
<u>Governmental:</u>						
Fifth Third Bank	4.19%	\$ 0	\$ 12,000	\$ -	\$ 12,000	\$ 6,000
Total		<u>\$ 0</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 6,000</u>

The Fifth Third loan relates to a John Deere utility tractor purchased by the Village. The loan was issued in 2005 at a 4.19% interest rate. The bank approved a \$12,000 loan to the Village. Two annual installments of \$6,000 plus interest are required over a two year period.

The debt service requirement for government activities outstanding at December 31, 2006 are as follows:

Year	Fifth Third Loan	
	Principal	Interest
2007	\$ 6,510	\$ 275
2008	0	0
2009	0	0
2010	0	0
2011	0	0
Totals	<u>\$ 6,510</u>	<u>\$ 275</u>

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
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Note 10 – Debt (continued)

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The Village has no general obligation debt.

Note 11 – Interfund Transfers

During 2006 the following transfers were made:

Transfers from the Income Tax Fund to:	
General Fund	<u>\$ 72,325</u>
Total Transfers from the Income Tax Fund	<u><u>\$ 72,325</u></u>
Transfers from the Utility Trust Fund to:	
General Fund	<u>\$8,347</u>
Total Transfers from the Utility Trust Fund	<u><u>\$8,347</u></u>

During 2005 the following transfers were made:

Transfers from the FEMA Fund to:	
Street Construction Maintenance & Repairs	<u>\$ 7,968</u>
Total Transfers from the FEMA Fund	<u><u>\$ 7,968</u></u>
Transfers from the Income Tax Fund to:	
General Fund	<u>\$68,993</u>
Total Transfers from the Income Tax Fund	<u><u>\$68,993</u></u>
Transfers from the Utility Trust Fund to:	
General Fund	<u>\$4,032</u>
Total Transfers from the Utility Trust Fund	<u><u>\$4,032</u></u>

**VILLAGE OF HUNTSVILLE
LOGAN COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED
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Note 11 – Interfund Transfers, continued

Transfers for 2005 from the FEMA fund represent funds reimbursed by FEMA for the 2005 ice storm and transferred to the funds where the expenditures were made. Transfers to the General Fund from the Nonexpendable Trust represents interest income from the Certificate of Deposit which the income may be used for general governmental uses. Transfers from the Income Tax fund represent the money received from residents/employers paying taxes.

TaylorApplegateHughes

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

To the Honorable Mayor and Village Council:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Huntsville, Logan County, Ohio (the Village) as of and for the years ended December 31, 2006, and December 31, 2005, and have issued our report thereon dated June 20, 2007 wherein we noted the Village of Huntsville prepared its financial statements on the modified cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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 grant agreements, 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, we noted other matters involving control and its operations and compliance and other matters that we reported to the management of the Village in a separate letter dated June 20, 2007.

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

Taylor, Applegate, Hughes and Associates, Ltd.
June 20, 2007



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 8, 2007