

**Village of Huntsville,  
Logan County  
Financial Statements  
December 31, 2008 and 2007**





Mary Taylor, CPA  
Auditor of State

Mayor and Members of Village Council  
Village of Huntsville  
6740 Wishart Street  
P.O. Box 107  
Huntsville, Ohio 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, 2007 through December 31, 2008. 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

July 24, 2009

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**Village of Huntsville  
Logan County, Ohio  
Financial Statements  
December 31, 2008 and 2007**

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## **Financial Statements for the Year Ended December 31, 2007**

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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, 2008 and 2007, 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, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General, Street Construction Maintenance and Repair, Utility Trust, Ambulance, and Other Capital Projects funds thereof for the year December 31, 2008 and the General, Income Tax, Utility Trust, Ambulance, and Other Capital Projects funds for the year December 31, 2007 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2009, 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 & Assoc., Ltd.*

Taylor, Applegate, Hughes and Associates, Ltd.  
June 5, 2009



Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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This discussion and analysis of the Village of Huntsville's (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2008, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

### **Highlights**

Key highlights for 2008 are as follows:

The Village's general receipts are primarily property and income taxes. These receipts were \$11,143 and \$76,790 respectively. Property receipts for 2008 were up slightly from the previous year. 2007 property taxes: \$10,806; 2008 property taxes: \$11,143; a difference of \$337. Income tax receipts were up slightly from last year from \$75,858 to \$76,790, resulting in an increase of \$932.

The Village purchased a generator at a cost of \$5,500. The installing labor resulted in a disbursement of \$7,800 with a carry-over installment debt of \$3,550 for 2009.

An estate settlement of \$9,202 benefited the village coffers, but only for a short time, as the council used the money to build a shelter house at the park at a cost of \$11,500.

Other contributing factors to expenditures, was the purchase of a newer model ambulance in the amount of \$10,000. However, the sale of the old ambulance netted \$4,000, thus making the cost of purchase \$6,000.

The council voted to reimburse the Fire Department and EMS personnel for gas usage driving to and from the firehouse to answer calls in the amount of \$5,000, resulting in further increased spending.

The village was audited by Bureau of Workers' Compensation for prior years, and had to pay an additional \$4,524 in back payments, plus this year's contribution of \$1,638.

### **Using the Basic Financial Statements**

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

#### **Report Components**

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village 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.

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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### **Basis of Accounting**

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

As a result of using the 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 cash basis of accounting.

### **Reporting the Village as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village 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 Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village'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 Village into two types of activities:

Governmental activities - All of the Village'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.

Business-type activities - The Village has no business-type activities.

### **Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village 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 Village are split into three categories: governmental, proprietary and fiduciary.

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
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Governmental Funds - All of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village'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 Village's programs. The Village's significant governmental funds are presented on the financial 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 Village's major governmental funds are the General Fund, Street Construction Maintenance and Repair Fund, Utility Trust Fund, Ambulance Fund, and Other Capital Projects Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The Village as a Whole**

Table 1 provides a summary of the Village's net assets for 2007 compared to 2008 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2007	2008	2006	2007	2007	2008
<b>Assets</b>						
Cash and Cash Equivalents	\$ 405,030	\$ 383,520	\$ -	\$ -	\$ 405,030	\$ 383,520
Total Assets	<u>\$ 405,030</u>	<u>\$ 383,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,030</u>	<u>\$ 383,520</u>
<b>Net Assets</b>						
Restricted for:						
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	2,274	2,274			2,274	2,274
Other Purposes	341,762	330,930			341,762	330,930
Unrestricted	<u>60,994</u>	<u>50,316</u>	<u>-</u>	<u>-</u>	<u>60,994</u>	<u>50,316</u>
Total Net Assets	<u>\$ 405,030</u>	<u>\$ 383,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,030</u>	<u>\$ 383,520</u>

Net assets of governmental activities decreased \$21,510. The primary reasons contributing to the decreases in cash balances are as follows:

- Slowing of the economy. The interest on Village checking account went down, due to a weakened economy.
- The Village invested in a new ambulance, shelter house, and generator.
- Escalation of gas prices, which in turn raised all purchases of goods and services.

Table 2 reflects the changes in net assets on a cash basis in 2007 and 2008 for governmental activities, business-type activities and total primary government.

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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(Table 2)

**Changes in Net Assets**

	Governmental Activities	
	2007	2008
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 66,575	\$ 68,022
Operating Grants and Contributions	30,403	36,445
Capital Grants and Contributions	5,500	0
Total Program Receipts	102,478	104,467
General Receipts:		
Property and Other Local Taxes	10,806	11,143
Income Taxes	75,858	76,790
Intergovernmental	113,589	67,409
Sale of Fixed Assets	0	4,000
Cable Franchise Fees	2,344	2,142
Interest	10,951	2,488
Miscellaneous	777	2,544
Total General Receipts	214,325	166,516
Total Receipts	316,803	270,983
Disbursements:		
General Government	83,465	67,281
Security of Persons and Property:	73,954	99,780
Leisure Time Activities	4,179	1,783
Community Environment	455	456
Basic Utilities	452	1,893
Transportation	28,868	35,091
Capital Outlay	123,796	85,397
Principal Retirement	6,510	0
Interest	276	0
Other Charges	1,338	812
Total Disbursements	323,293	292,493
Excess (Deficiency) Before Transfers	( 6,490)	( 21,510)
Transfers	0	0
Increase (Decrease) in Net Assets	( 6,490)	( 21,510)
Net Assets, January 1	411,520	405,030
Net Assets, December 31,	\$ 405,030	\$ 383,520

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
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**Governmental Activities Receipts**

Program receipts represent only 34 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 66 percent of the Village's total receipts, and of this amount, over 96 percent are local taxes.

**Governmental Activities Disbursements**

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village 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; Leisure Time Activities are the costs of maintaining the parks and playing fields. Transportation is the cost maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Village. 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 Village 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 96 percent of governmental activities are supported through these general receipts.

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost Of Services 2008	Net Cost of Services 2008
<b>Governmental Activities</b>				
General Government	\$ 83,465	\$ 77,142	\$ 67,281	\$ 53,063
Security of Persons & Property	73,954	2,212	99,780	31,853
Community Environment	455	122	456	361
Leisure Time Activities	4,179	4,179	1,783	1,783
Basic Utilites	452	452	1,893	1,893
Transportation	28,868	4,787	35,091	12,864
Capital Outlay	123,796	123,796	85,397	85,397
Principle Retirement	6,510	6,510	0	0
Interest	276	276	0	0
Other Charges	1,338	1,338	812	812
Total Expenses	<u>\$ 323,293</u>	<u>\$ 220,814</u>	<u>\$ 292,493</u>	<u>\$ 188,026</u>

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
Unaudited

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**The Village's Funds**

Total governmental funds had receipts of \$270,983 and disbursements of \$292,493. The fund balance of the General Fund decreased \$21,510 as the result of increased expenditures.

General Fund receipts were less than disbursements by \$10,679 indicating that the General Fund will need to curb expenses in the coming fiscal year.

**General Fund Budgeting Highlights**

The Village'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 2008, the Village amended its General Fund, Street Fund and Ambulance Fund to reflect changes, due to increased purchases.

At December 31, 2008, the Village's had no outstanding debt.

**Current Issues**

The Village's challenge lies in the anticipation of the local elementary school, leaving the community 2009. The school provides approximately \$15,000 to \$20,000 in local tax revenue. Without that income, the Village must determine how to best recover that loss of revenue and attract new business to the community.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village'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, P. O. Box 107, Huntsville, Ohio 43324.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Net Assets - Cash Basis  
December 31, 2008**

	Governmental Activities	Total
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 383,520	\$ 383,520
Investments	-	-
Total Assets	<u>\$ 383,520</u>	<u>\$ 383,520</u>
<b>Net Assets</b>		
Restricted for:		
Capital Projects	\$ 2,274	\$ 2,274
Debt Service	-	-
Other Purposes	330,930	330,930
Unrestricted	<u>50,316</u>	<u>50,316</u>
Total Net Assets	<u>\$ 383,520</u>	<u>\$ 383,520</u>

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2008**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Security of Persons and Property	\$ 99,780	\$ 67,927	\$ -	\$ -	\$ (31,853)
Leisure Time Activities	1,783	-	-	-	(1,783)
Community Environment	456	95	-	-	(361)
Basic Utility Services	1,893	-	-	-	(1,893)
Transportation	35,091	-	22,227	-	(12,864)
General Government	67,281	-	-	-	(67,281)
Capital Outlay	85,397	-	-	-	(85,397)
Debt Service:					-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	812	-	-	-	(812)
Total Governmental Activities	<u>292,493</u>	<u>68,022</u>	<u>22,227</u>	<u>-</u>	<u>(202,244)</u>
Total Primary Government	<u>\$ 292,493</u>	<u>\$ 68,022</u>	<u>\$ 22,227</u>	<u>\$ -</u>	<u>\$ (202,244)</u>
<b>General Receipts</b>					
Property Taxes					\$ 10,972
Municipal Income Taxes					76,790
Other Taxes					171
Grants and Entitlements not Restricted to Specific Programs					67,409
Sale of Fixed Assets					4,000
Cable Franchise Fees					2,142
Investment Interest					16,706
Miscellaneous					<u>2,544</u>
Total General Receipts					180,734
Transfers					-
Total General Receipts and Transfers					<u>180,734</u>
Change in Net Assets					(21,510)
Net Assets Beginning of Year					<u>405,030</u>
Net Assets End of Year					<u>\$ 383,520</u>

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, 2008**

	GENERAL	STREET CONST. MAINT.REP.	UTILITY TRUST	AMBULANCE	OTHER CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 50,316	\$ 11,853	\$ 272,000	\$ 43,423	\$ -	\$ 5,928	\$ 383,520
Investments	-	-	-	-	-	-	-
Total Assets	<u>\$ 50,316</u>	<u>\$ 11,853</u>	<u>\$ 272,000</u>	<u>\$ 43,423</u>	<u>\$ -</u>	<u>\$ 5,928</u>	<u>\$ 383,520</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	50,316	-	-	-	-	-	50,316
Special Revenue Funds	-	11,853	272,000	43,423	-	3,654	330,930
Debt Service Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	2,274	2,274
Permanent Fund	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 50,316</u>	<u>\$ 11,853</u>	<u>\$ 272,000</u>	<u>\$ 43,423</u>	<u>\$ -</u>	<u>\$ 5,928</u>	<u>\$ 383,520</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, 2008**

	GENERAL	STREET CONST. MAINT.REP.	UTILITY TRUST	AMBULANCE	OTHER CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>							
Property and Other Local Taxes	\$ 11,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,143
Municipal Income Taxes	76,790	-	-	-	-	-	76,790
Intergovernmental	27,230	20,560	-	738	39,441	1,667	89,636
Special Assessments	-	-	-	-	-	-	-
Charges for Services	40,000	-	-	27,927	-	-	67,927
Fines, Licenses and Permits	2,237	-	-	-	-	-	2,237
Earnings on Investments	16,617	65	-	-	-	24	16,706
Miscellaneous	2,544	-	-	-	-	-	2,544
Total Receipts	<u>176,561</u>	<u>20,625</u>	<u>-</u>	<u>28,665</u>	<u>39,441</u>	<u>1,691</u>	<u>266,983</u>
<b>Disbursements</b>							
Current:							
Security of Persons and Property	80,775	-	-	19,005	-	-	99,780
Public Health Services	-	-	-	-	-	-	-
Leisure Time Activities	1,783	-	-	-	-	-	1,783
Community Environment	456	-	-	-	-	-	456
Basic Utility Services	1,598	295	-	-	-	-	1,893
Transportation	14,097	19,278	-	-	-	1,716	35,091
General Government	66,281	-	-	1,000	-	-	67,281
Capital Outlay	21,438	-	-	24,414	39,441	104	85,397
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Disbursements	<u>186,428</u>	<u>19,573</u>	<u>-</u>	<u>44,419</u>	<u>39,441</u>	<u>1,820</u>	<u>291,681</u>
Excess of Receipts Over (Under) Disbursements	<u>(9,867)</u>	<u>1,052</u>	<u>-</u>	<u>(15,754)</u>	<u>-</u>	<u>(129)</u>	<u>(24,698)</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	-	-	-	4,000	-	-	4,000
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Advances In	-	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-
Other Financing Uses	(812)	-	-	-	-	-	(812)
Total Other Financing Sources (Uses)	<u>(812)</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>3,188</u>
Net Change in Fund Balances	(10,679)	1,052	-	(11,754)	-	(129)	(21,510)
Fund Balances Beginning of Year	<u>60,994</u>	<u>10,801</u>	<u>272,000</u>	<u>55,178</u>	<u>-</u>	<u>6,057</u>	<u>405,030</u>
Fund Balances End of Year	<u>\$ 50,315</u>	<u>\$ 11,853</u>	<u>\$ 272,000</u>	<u>\$ 43,424</u>	<u>\$ -</u>	<u>\$ 5,928</u>	<u>\$ 383,520</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, 2008**

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 12,980	\$ 12,980	\$ 11,143	\$ (1,837)
Municipal Income Taxes	76,000	76,000	76,790	790
Intergovernmental	17,800	17,800	27,230	9,430
Special Assessments	-	-	-	-
Charges for Services	40,000	40,000	40,000	-
Fines, Licenses and Permits	2,700	2,700	2,237	(463)
Earnings on Investments	16,655	16,655	16,617	(38)
Miscellaneous	700	700	2,544	1,844
Total Receipts	<u>166,835</u>	<u>166,835</u>	<u>176,561</u>	<u>9,726</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	80,183	88,021	80,775	7,246
Public Health Services	-	-	-	-
Leisure Time Activities	4,000	4,000	1,783	2,217
Community Environment	570	570	456	114
Basic Utility Services	1,590	1,610	1,598	12
Transportation	16,000	16,000	14,097	1,903
General Government	77,125	75,270	66,281	8,989
Capital Outlay	22,000	22,000	21,438	562
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>201,468</u>	<u>207,471</u>	<u>186,428</u>	<u>21,043</u>
Excess of Receipts Over (Under) Disbursements	<u>(34,633)</u>	<u>(40,636)</u>	<u>(9,867)</u>	<u>30,769</u>
<b>Other Financing Sources (Uses)</b>				
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	(1,500)	(1,500)	(812)	688
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>(1,500)</u>	<u>(812)</u>	<u>688</u>
Net Change in Fund Balance	(36,133)	(42,136)	(10,679)	31,457
Fund Balance Beginning of Year	60,994	60,994	60,994	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ 24,861</u>	<u>\$ 18,858</u>	<u>\$ 50,315</u>	<u>\$ 31,457</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, 2008**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	22,500	22,500	20,560	(1,940)
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	110	110	65	(45)
Miscellaneous	-	-	-	-
Total Receipts	22,610	22,610	20,625	(1,985)
<b>Disbursements</b>				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	475	475	295	180
Transportation	27,935	27,935	19,302	8,633
General Government	-	-	-	-
Capital Outlay	5,001	5,001	-	5,001
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	33,411	33,411	19,597	13,814
Excess of Receipts Over (Under) Disbursements	(10,801)	(10,801)	1,028	11,829
<b>Other Financing Sources (Uses)</b>				
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	(10,801)	(10,801)	1,028	11,829
Fund Balance Beginning of Year	10,801	10,801	10,801	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ -	\$ -	\$ 11,829	\$ 11,829

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, 2008**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	-	-	-	-
<b>Disbursements</b>				
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	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
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	-	-	-	-
Fund Balance Beginning of Year	272,000	272,000	272,000	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 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, 2008**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	-	-	738	738
Special Assessments	-	-	-	-
Charges for Services	31,898	31,898	27,927	(3,971)
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	31,898	31,898	28,665	(3,233)
<b>Disbursements</b>				
Current:				
Security of Persons and Property	20,553	21,553	19,006	2,547
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	1,000	1,000	1,000	-
Capital Outlay	15,000	25,000	24,414	586
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	36,553	47,553	44,420	3,133
Excess of Receipts Over (Under) Disbursements	(4,655)	(15,655)	(15,755)	(100)
<b>Other Financing Sources (Uses)</b>				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	4,000	4,000
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	-	-	4,000	4,000
Net Change in Fund Balance	(4,655)	(15,655)	(11,755)	3,900
Fund Balance Beginning of Year	55,178	55,178	55,178	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 50,523	\$ 39,523	\$ 43,423	\$ 3,900

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**  
**Other Capital Projects**  
**For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	39,441	39,441	39,441	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	39,441	39,441	39,441	-
<b>Disbursements</b>				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Capital Outlay	39,441	39,441	39,441	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	39,441	39,441	39,441	-
Excess of Receipts Over (Under) Disbursements	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
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	-	-	-	-
Fund Balance Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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This discussion and analysis of the Village of Huntsville (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2007, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

### **Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased \$6,489, or 1 percent, a slight change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2007.

The Village's general receipts are primarily property and income taxes. These receipts were \$10,806 and \$75,858 respectively. Property receipts for 2007 were up slightly from the previous year. Income Tax receipts were considerably lower, due to a loss of businesses in the village. The loss of a carryout in the Village and the conclusion of the sewer project all contributed to the loss in income for the Village.

The Village benefited from a Community Development Block Grant for the renovation of the Village Hall restroom. This project was concluded mid fall with a total cost of \$22,800. The Fire Department benefited from a FEMA Homeland Security Grant in the amount of \$64,956. However, the revenue cannot be counted as revenue until it is spent. The Fire Department only managed to spend \$25,515 of the grant in the year 2007. The balance is to be carried over to 2008. The Issue 2 state grant for repaving of some streets within the Village amounted to \$56,459. The project was below the projected figure and thus the Village did not have to contribute 10 percent of the cost.

### **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 Village's cash basis of accounting.

#### **Report Components**

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village 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 Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.



Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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As a result of using the 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 cash basis of accounting.

**Reporting the Village as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village 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 Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village'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 Village into two types of activities:

Governmental activities - Most of the Village'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.

Business-type activities – The Village does not have any business-type activities.

**Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Government as a whole. The Village 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 Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - All of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village'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 Village's programs. The Village's significant governmental funds are presented on the financial 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 Village's major governmental funds are the General Fund, Income Tax Fund, Utility Trust Fund, Ambulance Fund, and Other Capital Projects Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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**The Village as a Whole**

Table 1 provides a summary of the Village's net assets for 2007 compared to 2006 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
<b>Assets</b>						
Cash and Cash Equivalents	\$ 411,519	\$ 405,030			\$ 411,519	\$ 405,030
Total Assets	\$ 411,519	\$ 405,030	\$ -	\$ -	\$ 411,519	\$ 405,030
<b>Net Assets</b>						
Restricted for:						
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	9,307	2,274			9,307	2,274
Other Purposes	331,073	341,762			331,073	341,762
Unrestricted	71,139	60,994			71,139	60,994
Total Net Assets	\$ 411,519	\$ 405,030	\$ -	\$ -	\$ 411,519	\$ 405,030

As mentioned previously, net assets of governmental activities decreased \$ 6,489 or 1 percent during 2007 the primary reasons contributing to the decreases in cash balances are as follows:

- loss of business within the Village.
- Slowing of the economy.
- escalation of gas prices, which in turn raised all purchases of goods and services.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2007 for governmental activities, business-type activities and total primary government.

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

(Table 2)  
**Changes in Net Assets**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2006	2007	2006	2007	2006	2007
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 56,914	\$ 66,575			\$ 56,914	\$ 66,575
Operating Grants and Contributions	39,809	30,403			39,809	30,403
Capital Grants and Contributions	7,000	5,500			7,000	5,500
Total Program Receipts	<u>103,723</u>	<u>102,478</u>	<u>-</u>	<u>-</u>	<u>103,723</u>	<u>102,478</u>
General Receipts:						
Property and Other Local Taxes	10,579	10,806			10,579	10,806
Income Taxes	88,851	75,858			88,851	75,858
Intergovernmental	17,719	113,589			17,719	113,589
Cable Franchise Fees	-	2,344			-	2,344
Interest	8,347	10,951			8,347	10,951
Miscellaneous	4,259	777			4,259	777
Total General Receipts	<u>129,755</u>	<u>214,325</u>	<u>-</u>	<u>-</u>	<u>129,755</u>	<u>214,325</u>
Total Receipts	<u>233,478</u>	<u>316,803</u>	<u>-</u>	<u>-</u>	<u>233,478</u>	<u>316,803</u>
Disbursements:						
General Government	60,276	83,465			60,276	83,465
Security of Persons and Property:	84,360	73,954			84,360	73,954
Leisure Time Activities	1,377	4,179			1,377	4,179
Community Environment	530	455			530	455
Basic Utilities	460	452			460	452
Transportation	33,752	28,868			33,752	28,868
Capital Outlay	30,205	123,796			30,205	123,796
Principal Retirement	5,490	6,510			5,490	6,510
Interest	510	276			510	276
Other Charges	3,316	1,338			3,316	1,338
Total Disbursements	<u>220,276</u>	<u>323,293</u>	<u>-</u>	<u>-</u>	<u>220,276</u>	<u>323,293</u>
Excess (Deficiency) Before Transfers	13,202	(6,490)			13,202	(6,490)
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Assets	<u>13,202</u>	<u>(6,490)</u>	<u>-</u>	<u>-</u>	<u>13,202</u>	<u>(6,490)</u>
Net Assets, January 1	398,318	411,520			398,318	411,520
Net Assets, December 31,	<u>\$ 411,520</u>	<u>\$ 405,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,520</u>	<u>\$ 405,030</u>

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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**Governmental Activities Receipts**

Program receipts represent only 34 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 a nearby Government for fire services provided under contract.

General receipts represent 66 percent of the Village's total receipts, and of this amount, over 96 percent are local taxes.

**Governmental Activities Disbursements**

Disbursements for General Government represent the overhead costs of running the Government and the support services provided for the other Village 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; Leisure Time Activities are the costs of maintaining the parks and playing fields. Transportation is the cost maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities on page 30, you will see that the first column lists the major services provided by the Village. 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 Village 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 96 percent of governmental activities are supported through these general receipts.

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost Of Services 2007	Net Cost of Services 2007
<b>Governmental Activities</b>				
General Government	\$ 60,276	\$ 44,4450	\$ 83,465	\$ 77,142
Security of Persons & Property	84,360	20,808	73,954	2,212
Community Environment	530	182	455	122
Leisure Time Activities	1,377	1,377	4,179	4,179
Basic Utilities	460	460	452	452
Transportation	33,752	9,760	28,868	4,787
Capital Outlay	30,205	30,205	123,796	123,796
Principle Retirement	5,490	5,490	6,510	6,510
Interest	510	510	276	276
Other Charges	<u>3,316</u>	<u>3,316</u>	<u>1,338</u>	<u>1,338</u>
Total Expenses	<u>\$ 220,276</u>	<u>\$ 116,553</u>	<u>\$ 323,293</u>	<u>\$ 220,814</u>

Village of Huntsville, Ohio  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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**The Village's Funds**

Total governmental funds had receipts of \$316,803 and disbursements of \$323,293. The fund balance of the General Fund decreased \$10,145 as the result of lower than expected Huntsville Income Tax receipts.

General Fund receipts were less than disbursements by \$10,145 indicating that the General Fund will need to curb expenses in the coming fiscal year if income taxes remain stagnant.

**General Fund Budgeting Highlights**

The Village'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 2007, the Village amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were below original budgeted receipts due to less than expected local income tax receipts. Also an anticipated \$25,000 state grant was erroneously recorded in general fund and should have been shown in the capital projects fund.

**Debt**

At December 31, 2007, the Village had no outstanding debt.

**Current Issues**

The Village's challenge lies in the anticipation of the local elementary school leaving the community in 2009. The school provides approximately \$15,000 to \$20,000 in local tax revenue. Without that income, the Village must determine how to best recover that loss of revenue and attract new business to the community.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village'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, P. O. Box 107, Huntsville, Ohio 43324.

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**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Net Assets - Cash Basis  
December 31, 2007**

	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 405,030	\$ 405,030
Investments	-	-
Total Assets	\$ 405,030	\$ 405,030
 <b>Net Assets</b>		
Restricted for:		
Capital Projects	\$ 2,274	\$ 2,274
Debt Service	-	-
Other Purposes	341,762	341,762
Unrestricted	60,994	60,994
Total Net Assets	\$ 405,030	\$ 405,030

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2007**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Security of Persons and Property	\$ 73,954	\$ 66,243	\$ -	\$ 5,500	\$ (2,211)
Leisure Time Activities	4,179	-	-	-	(4,179)
Community Environment	455	333	-	-	(122)
Basic Utility Services	452	-	-	-	(452)
Transportation	28,868	-	24,080	-	(4,788)
General Government	83,465	-	6,323	-	(77,142)
Capital Outlay	123,796	-	-	-	(123,796)
Debt Service:					-
Principal	6,510	-	-	-	(6,510)
Interest	276	-	-	-	(276)
Other	1,338	-	-	-	(1,338)
Total Governmental Activities	<u>323,293</u>	<u>66,576</u>	<u>30,403</u>	<u>5,500</u>	<u>(220,814)</u>
Total Primary Government	<u>\$ 323,293</u>	<u>\$ 66,576</u>	<u>\$ 30,403</u>	<u>\$ 5,500</u>	<u>\$ (220,814)</u>
<b>General Receipts</b>					
Property Taxes					\$ 10,729
Municipal Income Taxes					75,858
Other Taxes					77
Grants and Entitlements not Restricted to Specific Programs					113,589
Cable Franchise Fees					2,344
Investment Interest					10,951
Miscellaneous					<u>777</u>
Total General Receipts					214,325
Transfers					-
Total General Receipts and Transfers					<u>214,325</u>
Change in Net Assets					(6,489)
Net Assets Beginning of Year					<u>411,519</u>
Net Assets End of Year					<u>\$ 405,030</u>

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, 2007**

	<u>GENERAL</u>	<u>INCOME TAX</u>	<u>UTILITY TRUST</u>	<u>AMBULANCE</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 60,994	\$ -	\$ 272,000	\$ 55,178	\$ -	\$ 16,858	\$ 405,030
Investments	-	-	-	-	-	-	-
Total Assets	<u>\$ 60,994</u>	<u>\$ -</u>	<u>\$ 272,000</u>	<u>\$ 55,178</u>	<u>\$ -</u>	<u>\$ 16,858</u>	<u>\$ 405,030</u>
<b>Fund Balances</b>							
Reserved:							
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	60,994	-	-	-	-	-	60,994
Special Revenue Funds	-	-	272,000	55,178	-	14,584	341,762
Debt Service Fund	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	2,274	2,274
Permanent Fund	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 60,994</u>	<u>\$ -</u>	<u>\$ 272,000</u>	<u>\$ 55,178</u>	<u>\$ -</u>	<u>\$ 16,858</u>	<u>\$ 405,030</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, 2007**

	GENERAL	INCOME TAX	UTILITY TRUST	AMBULANCE	OTHER CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>							
Property and Other Local Taxes	\$ 10,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,806
Municipal Income Taxes	-	75,858	-	-	-	-	75,858
Intergovernmental	17,056	-	-	5,500	96,534	24,080	143,170
Special Assessments	-	-	-	-	-	-	-
Charges for Services	35,100	-	-	31,243	-	-	66,343
Fines, Licenses and Permits	2,677	-	-	-	-	-	2,677
Earnings on Investments	6,119	-	10,951	-	-	161	17,231
Miscellaneous	720	-	-	-	-	-	720
Total Receipts	<u>72,478</u>	<u>75,858</u>	<u>10,951</u>	<u>36,743</u>	<u>96,534</u>	<u>24,241</u>	<u>316,805</u>
<b>Disbursements</b>							
<b>Current:</b>							
Security of Persons and Property	58,235	-	-	15,720	-	-	73,955
Public Health Services	-	-	-	-	-	-	-
Leisure Time Activities	4,179	-	-	-	-	-	4,179
Community Environment	455	-	-	-	-	-	455
Basic Utility Services	-	-	-	-	-	452	452
Transportation	10,709	-	-	-	-	18,159	28,868
General Government	66,312	16,433	-	720	-	-	83,465
Capital Outlay	5,407	-	-	14,715	96,534	7,140	123,796
<b>Debt Service:</b>							
Principal Retirement	6,510	-	-	-	-	-	6,510
Interest and Fiscal Charges	276	-	-	-	-	-	276
Total Disbursements	<u>152,083</u>	<u>16,433</u>	<u>-</u>	<u>31,155</u>	<u>96,534</u>	<u>25,751</u>	<u>321,956</u>
Excess of Receipts Over (Under) Disbursements	<u>(79,605)</u>	<u>59,425</u>	<u>10,951</u>	<u>5,588</u>	<u>-</u>	<u>(1,510)</u>	<u>(5,151)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Bonds	-	-	-	-	-	-	-
Sale of Notes	-	-	-	-	-	-	-
Other Debt Proceeds	-	-	-	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-	-	-	-
Discount on Debt	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-
Transfers In	70,798	-	-	-	-	-	70,798
Transfers Out	-	(59,847)	(10,951)	-	-	-	(70,798)
Advances In	-	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	-	-	-
Other Financing Uses	(1,338)	-	-	-	-	-	(1,338)
Total Other Financing Sources (Uses)	<u>69,460</u>	<u>(59,847)</u>	<u>(10,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,338)</u>
Net Change in Fund Balances	(10,145)	(422)	-	5,588	-	(1,510)	(6,489)
Fund Balances Beginning of Year	71,139	422	272,000	49,590	-	18,368	411,519
Fund Balances End of Year	<u>\$ 60,994</u>	<u>\$ -</u>	<u>\$ 272,000</u>	<u>\$ 55,178</u>	<u>\$ -</u>	<u>\$ 16,858</u>	<u>\$ 405,030</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, 2007**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 12,715	\$ 12,715	\$ 10,806	\$ (1,909)
Municipal Income Taxes	-	-	-	-
Intergovernmental	44,580	19,581	17,056	(2,525)
Special Assessments	-	-	-	-
Charges for Services	35,000	35,000	35,100	100
Fines, Licenses and Permits	2,395	2,394	2,677	283
Earnings on Investments	5,900	5,900	6,119	219
Miscellaneous	2,100	2,100	720	(1,380)
Total Receipts	102,690	77,690	72,478	(5,212)
<b>Disbursements</b>				
Current:				
Security of Persons and Property	75,975	77,975	58,235	19,740
Public Health Services	-	-	-	-
Leisure Time Activities	6,000	6,000	4,179	1,821
Community Environment	672	672	455	217
Basic Utility Services	-	-	-	-
Transportation	18,000	18,000	10,709	7,291
General Government	83,072	83,106	66,312	16,794
Capital Outlay	8,000	8,000	5,407	2,593
Debt Service:				
Principal Retirement	6,510	6,510	6,510	-
Interest and Fiscal Charges	510	510	276	234
Total Disbursements	198,739	200,773	152,083	48,690
Excess of Receipts Over (Under) Disbursements	(96,049)	(123,083)	(79,605)	43,478
<b>Other Financing Sources (Uses)</b>				
Sale of Bonds	-	-	-	-
Sale of Notes	-	-	-	-
Other Debt Proceeds	-	-	-	-
Premium and Accrued Interest on Debt	-	-	-	-
Discount on Debt	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Transfers In	90,000	90,000	70,798	(19,202)
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	(4,000)	(4,000)	(1,338)	2,662
Total Other Financing Sources (Uses)	86,000	86,000	69,460	(16,540)
Net Change in Fund Balance	(10,049)	(37,083)	(10,145)	26,938
Fund Balance Beginning of Year	71,003	71,003	71,003	-
Prior Year Encumbrances Appropriated	136	136	136	-
Fund Balance End of Year	\$ 61,090	\$ 34,056	\$ 60,994	\$ 26,938

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, 2007**

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	95,000	95,000	75,858	(19,142)
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>95,000</u>	<u>95,000</u>	<u>75,858</u>	<u>(19,142)</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	20,762	20,762	16,433	4,329
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursement:	<u>20,762</u>	<u>20,762</u>	<u>16,433</u>	<u>4,329</u>
Excess of Receipts Over (Under) Disbursement	<u>74,238</u>	<u>74,238</u>	<u>59,425</u>	<u>(14,813)</u>
<b>Other Financing Sources (Uses)</b>				
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	(74,660)	(74,660)	(59,847)	14,813
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>(74,660)</u>	<u>(74,660)</u>	<u>(59,847)</u>	<u>14,813</u>
Net Change in Fund Balance	(422)	(422)	(422)	-
Fund Balance Beginning of Year	422	422	422	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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**  
**Utility Trust**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	10,951	10,951
Miscellaneous	-	-	-	-
Total Receipts	-	-	10,951	10,951
<b>Disbursements</b>				
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	-	-	10,951	10,951
<b>Other Financing Sources (Uses)</b>				
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	-	-	(10,951)	(10,951)
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(10,951)	(10,951)
Net Change in Fund Balance	-	-	-	-
Fund Balance Beginning of Year	272,000	272,000	272,000	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance End of Year	\$ 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, 2007**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	7,000	7,000	5,500	(1,500)
Special Assessments	-	-	-	-
Charges for Services	29,898	29,898	31,243	1,345
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	36,898	36,898	36,743	(155)
<b>Disbursements</b>				
Current:				
Security of Persons and Property	15,997	19,997	15,720	4,277
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	850	850	721	129
Capital Outlay	20,000	16,000	14,715	1,285
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	36,847	36,847	31,156	5,691
Excess of Receipts Over (Under) Disbursements	51	51	5,587	5,536
<b>Other Financing Sources (Uses)</b>				
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	51	51	5,587	5,536
Fund Balance Beginning of Year	49,552	49,552	49,552	-
Prior Year Encumbrances Appropriated	38	38	38	-
Fund Balance End of Year	\$ 49,641	\$ 49,641	\$ 55,177	\$ 5,536

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**  
**Other Capital Projects Fund**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -
Municipal Income Taxes	-	-	-	-
Intergovernmental	145,217	145,217	96,534	(48,683)
Special Assessments	-	-	-	-
Charges for Services	-	-	-	-
Fines, Licenses and Permits	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Receipts	<u>145,217</u>	<u>145,217</u>	<u>96,534</u>	<u>(48,683)</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	-
Leisure Time Activities	-	-	-	-
Community Environment	-	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Capital Outlay	105,840	105,840	96,534	9,306
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Disbursements	<u>105,840</u>	<u>105,840</u>	<u>96,534</u>	<u>9,306</u>
Excess of Receipts Over (Under) Disbursements	<u>39,377</u>	<u>39,377</u>	<u>-</u>	<u>(39,377)</u>
<b>Other Financing Sources (Uses)</b>				
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	39,377	39,377	-	(39,377)
Fund Balance Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 39,377</u>	<u>\$ 39,377</u>	<u>\$ -</u>	<u>\$ (39,377)</u>

See accompanying notes to the financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**

**Note 1 – Reporting 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 Mayor is elected to a four-year term, and votes only to break a tie.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, maintenance of Village streets, and park operations. The Village appropriates general fund money to support a volunteer fire department. The Village contracts with the Logan County Sheriff's Department for extra surveillance services.

**B. Component Units**

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village has no component units.

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

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the U.S. (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Village's accounting policies.



**VILLAGE OF HUNTSVILLE  
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DECEMBER 31, 2008 AND 2007**

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

**A. 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.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The statement of net assets presents the cash and investment balances of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental 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 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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
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**Note 2 – Summary of Significant Accounting Policies (continued)**

**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:

**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. The Village Council approved closing the Income Tax Fund into the General Fund for 2008.

**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 Capital Projects Fund** – This fund is used to account for grants received for capital projects such as street construction and EMS equipment.

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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
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**Note 2 – Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Village are described in the appropriated section in this note.

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.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are 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.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Clerk-Treasurer. 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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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**Note 2 – Summary of Significant Accounting Policies (continued)**

**D. Budgetary Process (continued)**

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**

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

During 2007, the Village invested in a nonnegotiable certificate of deposit. The nonnegotiable certificate of deposit is reported at cost.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. During the years ended December 31, 2008 and 2007, interest receipts were credited to the General Fund for \$16,617 and \$6,119, respectively

**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  
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**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 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 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  
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**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, 2008 AND 2007**

**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 2007 and 2008 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.

**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 prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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**Note 5 – Local Income Tax**

The Village levies a one percent income tax whose proceeds were placed into the Income Tax Fund in 2007 and the General Fund in 2008. The Village levies and collects the tax on all income earned within the Village as well as on incomes 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 return 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. Property tax receipts received in 2007 (2008) represent the collection of 2006 (2007) taxes. Property tax payments received during 2007 (2008) for tangible personal property (other than public utility property) were for 2007 (2008).

2007 (2008) real property taxes were levied after October 1, 2006 (2007), on the assessed values as of January 1, 2006 (2007), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 (2008) real property taxes are collected in and intended to finance 2008 (2009).

Real property taxes are payable annually or semi-annually. If semiannually, the first payment is on the third Wednesday in February, with the remainder payable by the third Wednesday in July.

Public utility tangible property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 (2008) public utility property taxes which became a lien on December 31, 2006 (2007), were levied after October 1, 2007 (2008), and are collected in 2008 (2009) with real property taxes.

2007 (2008) tangible personal property were levied after October 1, 2006 (2007), on the true value as of December 31, 2006 (2007). Collections were made in 2007 (2008). Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent. This was reduces to 56.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder due September 20.



**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
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**Note 6 – Property Tax (continued)**

The full tax rate for all Village operations for the year ended December 31, 2007 (2008), 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 2008 and 2007 property tax receipts were based are as follows:

<b><u>2008</u></b>	
Real Property	
Residential	\$ 4,181,770
Agriculture	21,290
Industrial	88,700
Commercial	705,550
Public Utility - Personal	289,760
Tangible Personal Property	209,760
Total Assessed Value	\$ 5,496,830

<b><u>2007</u></b>	
Real Property	
Residential	\$ 3,768,930
Agriculture	19,350
Industrial	72,760
Commercial	628,460
Public Utility - Personal	321,980
Tangible Personal Property	277,480
Total Assessed Value	\$ 5,088,960

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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**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 on or after January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in the aggregate per year.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

**Property Insurance**

Travelers reinsures specific losses exceeding \$250,000 and provides up to \$600,000,000 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 \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

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 PEP member.

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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
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**Note 7 – Risk Management (continued)**

**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, 2008 and 2007 (the latest information available):

<u>Casualty &amp; Property Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$ 35,769,535	\$ 37,560,071
Liabilities	<u>( 15,310,206)</u>	<u>( 17,340,825)</u>
Net Assets - unrestricted	<u>\$ 20,459,329</u>	<u>\$ 20,219,246</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$12.9 million and \$15.0 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008 and 2007, 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 \$26,000. This payable includes the subsequent year’s contribution due if the Government terminates participation, as described in the last paragraph below.

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>	
2006	\$12,615
2007	\$12,340
2008	\$12,891

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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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**Note 8 – Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

Plan Description - 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.

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.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2008 and 2007, members in state and local classifications contributed 10 and 9.5 percent of covered payroll, respectively.

The Village's contribution rate for pension benefits for 2008 was 14.0 percent and 13.77 percent for 2007. For the year ended December 31, 2008, a portion of the Village's contribution equal to 7.0 percent of covered payroll was allocated to fund the post employment healthcare plan. For the period January 1, through June 30, 2007, a portion of the Village's contribution equal to 5.0 percent of covered payroll was allocated to fund the post employment healthcare plan; for the period July 1 through December 31, 2007 this amount was increased to 6.0 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of the Village of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
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**Note 8 – Defined Benefit Pension Plans (continued)**

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$4,377, \$4,119, and \$4,033 respectively. The full amount has been contributed for 2008, 2007, and 2006.

**Note 9 - Post Employment Benefits**

**Ohio Public Employees Retirement System**

Plan description - The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post employment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postretirement healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post employment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14 and 13.77 percent, respectively, of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post employment healthcare benefits. The amount of the employer contribution which was allocated to fund post employment healthcare was 7.0 and 4.55 percent of covered payroll for 2008 and 2007 respectively.

**VILLAGE OF HUNTSVILLE  
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**Note 9 - Post Employment Benefits (continued)**

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post employment healthcare plan.

The Village's contributions allocated to fund post employment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$4,377, \$4,119, and \$4,033, respectively. The full amount has been contributed for 2008, 2007, and 2006.

On September 30, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**Note 10 – Debt**

The Village had no long-term debt activity for the year ended December 31, 2008.

The Village's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance 12/31/06	Proceeds	Payments	Balance 12/31/07	Due Within One Year
<b><u>Governmental Activities:</u></b>						
Fifth Third Bank	4.19%	\$ 6,510	\$ 0	(\$ 6,510)	\$ 0	\$ 0
Total		<u>\$ 6,510</u>	<u>\$ 0</u>	<u>(\$ 6,510)</u>	<u>\$ 0</u>	<u>\$ 0</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 loan was paid in full during 2007.

The Village has no debt service requirement for government activities outstanding at December 31, 2008.

**VILLAGE OF HUNTSVILLE  
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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 2008 no transfers were made:

During 2007 the following transfers were made:

Transfers from the Income Tax Fund to:	
General Fund	<u>\$ 59,847</u>
Total Transfers from the Income Tax Fund	<u>\$ 59,847</u>

Transfers from the Utility Trust Fund to:	
General Fund	<u>\$ 10,951</u>
Total Transfers from the Utility Trust Fund	<u>\$ 10,951</u>

Transfers from the General Fund from the Utility Trust Fund represents interest earned on a Certificate of Deposit. The income from the Utility Trust Fund may be used for general governmental uses. Transfers from the Income Tax fund represent the money received from residents/employers paying taxes.

**Note 12 – Related Parties**

The Village contracts with a local bookkeeping service to administer the Village income tax. The contracted service prepares approximately five individual income tax returns that are filed with the Village.

The Clerk-Treasurer is related to a Council member.

The Mayor and a Council member are related.

A relative of a Council member is a fire department employee.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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DECEMBER 31, 2008 AND 2007**

**Note 13 – Subsequent Events**

Effective May 1, 2009, Central Collection Agency of Cleveland, Ohio, began administering the Village's income tax.



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, 2008, and December 31, 2007, and have issued our report thereon dated June 5, 2009 wherein we noted the Village of Huntsville prepared its financial statements on the 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.

Village of Huntsville

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*

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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 5, 2009.

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 & Assoc., Ltd.*

Taylor, Applegate, Hughes and Associates, Ltd.  
June 5, 2009



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  
AUGUST 11, 2009