



**HUNTSBURG TOWNSHIP  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Huntsburg Township  
Geauga County  
P.O. Box 280  
Huntsburg, Ohio 44046-0280

To the Board of Trustees:

We have audited the accompanying financial statements of Huntsburg Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Huntsburg Township, Geauga County, Ohio, as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

March 31, 2000



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>					<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>						
Local Taxes	\$73,537	\$178,237	\$12,335	\$0	\$0	\$264,109
Intergovernmental	80,966	85,663	0	0	0	166,629
Licenses, Permits, and Fees	3,393	0	0	0	0	3,393
Earnings on Investments	6,715	996	0	0	0	7,711
Other Revenue	10,878	322	0	0	0	11,200
<b>Total Cash Receipts</b>	<u>175,489</u>	<u>265,218</u>	<u>12,335</u>	<u>0</u>	<u>0</u>	<u>453,042</u>
<b>Cash Disbursements:</b>						
Current:						
General Government	71,169	0	0	0	0	71,169
Public Safety	200	39,595	0	0	0	39,795
Public Works	55,312	166,594	0	0	0	221,906
Health	13,010	0	0	0	0	13,010
Conservation - Recreation	21,020	0	0	0	0	21,020
Debt Service:	0	0	0	0	0	0
Redemption of Principal	0	0	7,291	0	0	7,291
Interest and Fiscal Charges	0	0	933	0	0	933
Capital Outlay	1,311	17,621	0	0	0	18,932
<b>Total Cash Disbursements</b>	<u>162,022</u>	<u>223,810</u>	<u>8,224</u>	<u>0</u>	<u>0</u>	<u>394,056</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>13,467</u>	<u>41,408</u>	<u>4,111</u>	<u>0</u>	<u>0</u>	<u>58,986</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Operating Transfers In	0	0	0	20,000	0	20,000
Operating Transfers Out	(14,000)	(6,000)	0	0	0	(20,000)
Other Sources	30	1,650	0	0	0	1,680
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(13,970)</u>	<u>(4,350)</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>1,680</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(503)</u>	<u>37,058</u>	<u>4,111</u>	<u>20,000</u>	<u>0</u>	<u>60,666</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>50,852</u>	<u>71,837</u>	<u>0</u>	<u>0</u>	<u>275</u>	<u>122,964</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><b>\$50,349</b></u>	<u><b>\$108,895</b></u>	<u><b>\$4,111</b></u>	<u><b>\$20,000</b></u>	<u><b>\$275</b></u>	<u><b>\$183,630</b></u>
<b>Reserve for Encumbrances, December 31, 1999</b>	<u><b>\$10,752</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$10,752</b></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Funds</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$72,288	\$179,421	\$8,224	\$0	\$259,933
Intergovernmental	97,471	79,763	0	0	177,234
Licenses, Permits, and Fees	4,114	0	0	0	4,114
Earnings on Investments	5,425	657	0	0	6,082
Other Revenue	10,557	552	0	0	11,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	189,855	260,393	8,224	0	458,472
<b>Cash Disbursements:</b>					
Current:					
General Government	83,716	0	0	0	83,716
Public Safety	200	31,216	0	0	31,416
Public Works	34,229	196,984	0	0	231,213
Health	17,904	75	0	0	17,979
Conservation - Recreation	31,545	0	0	0	31,545
Redemption of Principal	0	0	6,948	0	6,948
Interest and Fiscal Charges	0	0	1,276	0	1,276
Capital Outlay	24,431	14,957	0	0	39,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	192,025	243,232	8,224	0	443,481
Total Receipts Over/(Under) Disbursements	(2,170)	17,161	0	0	14,991
<b>Other Financing Receipts/(Disbursements):</b>					
Other Sources	3,947	600	0	0	4,547
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	3,947	600	0	0	4,547
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,777	17,761	0	0	19,538
Fund Cash Balances, January 1, 1998	49,075	54,076	0	275	103,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$50,852</b>	<b>\$71,837</b>	<b>\$0</b>	<b>\$275</b>	<b>\$122,964</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31, 1998	\$7,344	\$1,730	\$0	\$0	\$9,074

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Huntsburg Township, Geauga County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services and park operations (recreation).

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

The Certificates of Deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**3. Debt Service Fund**

The Debt Service Fund is used to accumulate resources for the payment of bond and note indebtedness. This fund receives real property tax money for the retirement of the vehicle acquisition notes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

**4. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Township had the following significant Capital Project Fund:

Permanent Improvements Fund - This fund is used for the purpose of providing maintenance and improvements for reconstruction and renovations of the Township roads and buildings.

**Fiduciary Fund Type**

**5. Expendable Trust Fund**

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following Expendable Trust Fund:

Veterans Memorial Fund - This is a memorial fund to be used to maintain the memorial park within the Township.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
(Continued)

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

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

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

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

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$33,630	\$22,964
Certificates of deposit	150,000	100,000
Total Deposits and Investments	<u>\$183,630</u>	<u>\$122,964</u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$169,061	\$175,519	\$6,458
Special Revenue	262,506	266,868	4,362
Debt Service	8,224	12,335	4,111
Capital Projects	20,000	20,000	0
Expendable Trust	0	0	0
Total	<u>\$459,791</u>	<u>\$474,722</u>	<u>\$14,931</u>

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$205,019	\$186,774	\$18,245
Special Revenue	327,824	229,810	98,014
Debt Service	8,224	8,224	0
Capital Projects	20,000	0	20,000
Expendable Trust	275	0	275
Total	<u>\$561,342</u>	<u>\$424,808</u>	<u>\$136,534</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,669	\$193,802	\$6,133
Special Revenue	255,276	260,993	5,717
Debt Service	8,224	8,224	0
Expendable Trust	0	0	0
Total	<u>\$451,169</u>	<u>\$463,019</u>	<u>\$11,850</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$236,476	\$199,369	\$37,107
Special Revenue	302,398	244,962	57,436
Debt Service	8,224	8,224	0
Expendable Trust	275	0	275
Total	<u>\$547,373</u>	<u>\$452,555</u>	<u>\$94,818</u>

**4. PROPERTY TAX**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**4. PROPERTY TAX (Continued)**

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

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Loan	\$11,483	6%

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

<u>Year Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2000	\$7,705	519	\$8,224
2001	3,778	83	3,861
Total	\$11,483	\$602	\$12,085

**6. RETIREMENT SYSTEMS**

The Public Employees Retirement System (PERS) of Ohio is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of regular participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Commercial automobile insurance
- Errors and omissions

The Township also provides hospitalization, vision, dental and prescription insurance coverage to full-time employees.

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

Huntsburg Township  
Geauga County  
P.O. Box 280  
Huntsburg, Ohio 44046-0280

To the Board of Trustees:

We have audited the financial statements of Huntsburg Township, Geauga County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 31, 2000. We conducted our audits 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 31, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

March 31, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**HUNTSBURG TOWNSHIP**

**GEAUGA 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  
APRIL 27, 2000**