



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HUNTINGTON TOWNSHIP
GALLIA COUNTY

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Huntington Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Huntington Township, Gallia County, as of December 31, 2001 and 2000, 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 June 25, 2002, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 25, 2002

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$13,524	\$12,685	\$26,209
Intergovernmental	12,673	73,260	85,933
Earnings on Investments	833	1,459	2,292
Other Revenue	566	1,468	2,034
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	27,596	88,872	116,468
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	23,936		23,936
Public Safety	35	12,614	12,649
Public Works		57,232	57,232
Health	500		500
Debt Service:			
Redemption of Principal		6,290	6,290
Interest and Fiscal Charges		1,641	1,641
Capital Outlay	2,755		2,755
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	27,226	77,777	105,003
	<hr/>	<hr/>	<hr/>
Total Cash Receipts			
Over Cash Disbursements	370	11,095	11,465
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	30,238	128,279	158,517
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$30,608</u>	<u>\$139,374</u>	<u>\$169,982</u>

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

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$9,302	\$8,714	\$18,016
Intergovernmental	16,117	60,545	76,662
Earnings on Investments	1,915	633	2,548
Other Revenue	461	1,127	1,588
	<u>27,795</u>	<u>71,019</u>	<u>98,814</u>
Cash Disbursements:			
Current:			
General Government	26,960		26,960
Public Safety	352	5,352	5,704
Public Works		57,982	57,982
Health	3,625		3,625
Debt Service:			
Redemption of Principal		5,879	5,879
Interest and Fiscal Charges		2,052	2,052
Capital Outlay	140		140
	<u>31,077</u>	<u>71,265</u>	<u>102,342</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,282)</u>	<u>(246)</u>	<u>(3,528)</u>
Other Financing Sources:			
Sale of Fixed Assets		2,000	2,000
	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements	(3,282)	1,754	(1,528)
Fund Cash Balances, January 1	<u>33,520</u>	<u>126,525</u>	<u>160,045</u>
Fund Cash Balances, December 31	<u><u>\$30,238</u></u>	<u><u>\$128,279</u></u>	<u><u>\$158,517</u></u>

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

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Huntington Township, Gallia County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance (public works), cemetery maintenance (health), and fire protection (public safety).

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.

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

C. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are 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:

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

HUNTINGTON TOWNSHIP
GALLIA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2001	2000
Demand deposits	<u>\$169,982</u>	<u>\$158,517</u>

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

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,199	\$27,596	(\$603)
Special Revenue	97,350	88,872	(8,478)
Total	\$125,549	\$116,468	(\$9,081)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$58,437	\$27,226	\$31,211
Special Revenue	217,442	77,777	139,665
Total	\$275,879	\$105,003	\$170,876

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,118	\$27,795	(\$323)
Special Revenue	86,336	73,019	(13,317)
Total	\$114,454	\$100,814	(\$13,640)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$62,091	\$31,077	\$31,014
Special Revenue	200,569	71,265	129,304
Total	\$262,660	\$102,342	\$160,318

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Road Grader Loan	\$21,331	5.90%
Total	\$21,331	

The road grader loan was obtained to finance the purchase of a new Gallion/Dresser 850 Road Grader to be used for maintenance and repair of Township roads. The note is collateralized by the grader.

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

	Road Grader
Year ending December 31:	
2002	\$7,931
2003	7,931
2004	7,931
Total	\$23,793

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance through Evans-Moore Insurance Company for the following risks:

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

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

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

To the Board of Trustees:

We have audited the accompanying financial statements of Huntington Township, Gallia County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 25, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2001-40727-001, 2001-40727-002, and 2001-40727-003. We also noted an immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 25, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 25, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 25, 2002

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-40727-001

Finding for Recovery

Ohio Rev. Code Section 505.24 states that the trustees may be paid \$35.01 for each day of service in the business of the township for not more than 200 days per year in 2000, when the township has a budget between \$250,001 and \$500,000.

Bill Petrie, Trustee, was overpaid during year 2000. The Clerk compensated the Trustee at an appropriate daily rate for the budget on file; however she paid him for 240 days per year when the total number of days permitted for payment was 200. This resulted in overpayment for 40 days at the daily rate: $40 \times \$35.01 = \$1,400.40$.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Bill Petrie, Trustee, Verna Easter, Clerk, and Western Surety Company, their bonding company, jointly and severally in the amount of one thousand four hundred dollars and forty cents (\$1,400.40), and in favor of the Gasoline Tax Fund.

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

FINDING NUMBER 2001-40727-002

Finding for Recovery

Ohio Rev. Code Section 505.24 states that the trustees may be paid \$35.01 for each day of service in the business of the township for not more than 200 days per year in 2000, when the township has a budget between \$250,001 and \$500,000.

Jessie Collins, Trustee, was overpaid during year 2000. The Clerk compensated the Trustee at an appropriate daily rate for the budget on file; however she paid him for 240 days per year when the total number of days permitted for payment was 200. This resulted in overpayment for 40 days at the daily rate: $40 \times \$35.01 = \$1,400.40$.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Jessie Collins, Trustee, Verna Easter, Clerk, and Western Surety Company, their bonding company, jointly and severally in the amount of one thousand four hundred dollars and forty cents (\$1,400.40), and in favor of the Gasoline Tax Fund.

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

FINDING NUMBER 2001-40727-003

Finding for Recovery

Ohio Rev. Code Section 505.24 states that the trustees may be paid \$35.01 for each day of service in the business of the township for not more than 200 days per year in 2000, when the township has a budget between \$250,001 and \$500,000.

Walter (Dick) Neal, Trustee, was overpaid during year 2000. The Clerk compensated the Trustee at an appropriate daily rate for the budget on file; however she paid him for 240 days per year when the total number of days permitted for payment was 200. This resulted in overpayment for 40 days at the daily rate: $40 \times \$35.01 = \$1,400.40$.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Walter (Dick) Neal, Trustee, Verna Easter, Clerk, and Western Surety Company, their bonding company, jointly and severally in the amount of one thousand four hundred dollars and forty cents (\$1,400.40), and in favor of the Gasoline Tax Fund.

HUNTINGTON TOWNSHIP
GALLIA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 and 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40727-001	Ohio Rev. Code Section 505.60 reimbursements for insurance premiums were made improperly.	Yes	

**HUNTINGTON TOWNSHIP
GALLIA COUNTY**

**CORRECTIVE ACTION PLAN
DECEMBER 31, 2001 AND 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2001-40727-001 through 2001-40727-003	Clerk intends to review the budgetary reports and Ohio Revised Code pay rates to assure only the appropriate pay is issued to the elected officials.	December 31, 2002	Verna Easter, Clerk



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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HUNTINGTON TOWNSHIP

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 15, 2002**