

**Village of Huntsville,  
Logan County  
Financial Statements  
December 31, 2010 and 2009**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Village of Huntsville, Logan County, prepared by Taylor, Applegate, Hughes & Associates, Ltd., for the audit period January 1, 2009 through December 31, 2010. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 29, 2011

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**Village of Huntsville  
Logan County, Ohio  
Financial Statements  
December 31, 2010 and 2009**

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**Taylor Applegate Hughes**  
AND ASSOCIATES, LTD

CERTIFIED PUBLIC  
ACCOUNTANTS +  
BUSINESS ADVISORS

## **INDEPENDENT AUDITOR'S 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, 2010 and 2009, 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, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General, Ambulance, Public Utility Proceeds, and Other Capital Projects funds thereof for the year December 31, 2010 and the General, Public Utility Proceeds, and Ambulance funds for the year December 31, 2009 in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

*Taylor, Applegate, Hughes & Assoc., Ltd.*

Taylor, Applegate, Hughes and Associates, Ltd.  
May 27, 2011

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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This discussion and analysis of the Huntsville Local Government's financial performance provides an overall review of the Government's financial activities for the year ended December 31, 2010, within the limitations of the Government's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

### **Highlights**

Key highlights for 2010 are as follows:

The Government's general receipts are primarily property and income taxes. These receipts represent respectively \$11,952 and \$54,281 of the total cash received for governmental activities during the year. Property tax receipts for 2010 changed very little compared to 2009 as there is little development within the Village. Village income tax dropped dramatically from previous years, since the closing of the Huntsville elementary school. The loss of income from \$71,711 in 2009 to \$54,281 in 2010 represents a significant loss of revenue for the Village.

With contracting with Central Collection Agency, Cleveland, Ohio Village income tax, the loss of income was offset by not paying a private agency a commission of 16.25% on collected receipts, but paying only overhead costs.

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

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

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.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2010, 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 Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the 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, an increase or decrease 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 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, the Village activities are all considered governmental activities. Most of the Village's basic services are reported here: fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

Fund financial statements provide detailed information about the 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.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the 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 only major governmental funds are the General Fund, Utility Proceeds Fund, Ambulance Fund, and Capital Project Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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**The Government as a Whole**

Table 1 provides a summary of the Government's net assets for 2009 compared to 2010 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		Total	
	2009	2010	2009	2010
<b>Assets</b>				
Cash and Cash Equivalents	\$431,282	\$451,891	\$431,282	\$451,891
Investments	-	-	-	-
<b>Total Assets</b>	<b>\$431,282</b>	<b>\$451,891</b>	<b>\$431,282</b>	<b>\$451,891</b>
<b>Net Assets</b>				
Restricted for:				
Debt Service	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Other Purposes	356,555	369,282	356,555	369,282
Unrestricted	74,727	82,609	74,727	82,609
<b>Total Net Assets</b>	<b>\$ 431,282</b>	<b>\$ 451,891</b>	<b>\$ 431,282</b>	<b>\$ 451,891</b>

As mentioned previously, net assets of governmental activities increased \$ 20,609 during 2010. The primary reasons contributing to the increases in cash balances are as follows:

The Village received \$20,881 in Ohio Public Works grant for repair to one street.

The Village saved money by contracting with Central Collection Agency for income tax administration.

The elected officials were very judicious in spending money, knowing that money was tight based on the economic conditions affecting revenue.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2010 for governmental activities, business-type activities and total primary government.

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

	Governmental Activities	
	2009	2010
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 79,007	\$ 77,540
Operating Grants and Contributions	31,221	27,839
Capital Grants and Contributions	-	20,881
Total Program Receipts	<u>110,228</u>	<u>126,260</u>
General Receipts:		
Property and Other Local Taxes	11,192	11,952
Income Taxes	71,711	54,281
Intergovernmental	28,763	15,466
Sale of Fixed Assets	-	1,000
Cable Franchise Fees	2,142	2,316
Interest	19,851	10,544
Miscellaneous	3,715	3,507
Total General Receipts	<u>137,374</u>	<u>99,066</u>
Total Receipts	<u>247,602</u>	<u>225,326</u>
Disbursements:		
General Government	65,706	52,008
Security of Persons and Property:	71,507	64,961
Public Health Services	2,514	5,411
Leisure Time Activities	4,101	2,722
Community Environment	2,098	2,456
Basic Utilities	1,854	1,726
Transportation	30,094	32,854
Capital Outlay	21,157	41,024
Other Charges	809	1,555
Total Disbursements	<u>199,840</u>	<u>204,717</u>
Excess (Deficiency) Before Transfers	47,762	20,609
Transfers	-	-
Increase (Decrease) in Net Assets	<u>47,762</u>	<u>20,609</u>
Net Assets, January 1	<u>383,520</u>	<u>431,282</u>
Net Assets, December 31	<u>\$ 431,282</u>	<u>\$ 451,891</u>

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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Program receipts represent only 35 percent of total receipts and are primarily comprised of restricted intergovernmental receipts of ambulance charges for services & fire contract with McArthur Township. General Fund receipts represent 62 percent of the Village's total receipts, and of this amount, over 24 percent are local taxes. The Village's investment of \$272,000 makes up the remainder of the Village's assets.

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 fire protection and street lighting; Public Health Services reflects a fee imposed by health department; Leisure Time Activities are the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining the street department, fire department and equipment maintenance.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Government. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for transportation and security of persons and property. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$ 52,008	\$ 52,008	\$ 65,706	\$ 65,706
Security of Persons and Property	64,961	(20,453)	71,507	(18,900)
Public Health Services	5,411	5,411	2,514	2,514
Leisure Time Activities	2,722	2,722	4,101	4,101
Community Environment	2,456	2,396	2,098	1,998
Basic Utilities	1,726	1,726	1,854	1,854
Transportation	32,854	(7,932)	30,094	10,373
Capital Outlay	41,024	41,024	21,157	21,157
Other	1,555	1,555	809	809
<b>Total Expenses</b>	<b>\$ 204,717</b>	<b>\$ 78,457</b>	<b>\$ 199,840</b>	<b>\$ 89,612</b>

The dependence upon property and income tax receipts is apparent as over 96 percent of governmental activities are supported through these general receipts.

### **The Government's Funds**

Total governmental funds had receipts of \$224,326 and disbursements of \$203,161. There was little change within governmental funds.

General Fund receipts were more than disbursements by \$9,438 indicating that the General Fund is holding its own, as council continues to monitor its expenditures.

### **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 2010, the Village amended its General Fund budget several times to reflect changing circumstances. The Village budget did not appropriate all of the available money and so was able to supplement the appropriations without rearranging money within the appropriated accounts. The beginning budget did not take into account the OPWC grant, which was undetermined at the beginning of the year. As the project was completed in October, it was then added to the budget and appropriations when figures were finalized from the Logan County Engineer's Office in November.

### **Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

### **Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the 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, 2010**

	Governmental Activities	Total
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 451,891	\$ 451,891
Total Assets	<u>\$ 451,891</u>	<u>\$ 451,891</u>
<b>Net Assets</b>		
Restricted for:		
Other Purposes	\$ 369,282	\$ 369,282
Unrestricted	<u>82,609</u>	<u>82,609</u>
Total Net Assets	<u>\$ 451,891</u>	<u>\$ 451,891</u>

See accompanying notes to the basic financial statements

**VILLAGE OF HUNTSVILLE**  
**LOGAN COUNTY, OHIO**  
**Statement of Activities - Cash Basis**  
**For the Year Ended December 31, 2010**

	Program Cash Receipts				Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities</b>					
Security of Persons and Property	\$ 64,961	\$ 77,480	\$ 7,934	\$ -	\$ 20,453
Public Health Services	5,411	-	-	-	(5,411)
Leisure Time Activities	2,722	-	-	-	(2,722)
Community Environment	2,456	60	-	-	(2,396)
Basic Utility Services	1,726	-	-	-	(1,726)
Transportation	32,854	-	19,905	20,881	7,932
General Government	52,008	-	-	-	(52,008)
Capital Outlay	41,024	-	-	-	(41,024)
Other	1,555	-	-	-	(1,555)
Total Governmental Activities	204,717	77,540	27,839	20,881	(78,457)
Total Primary Government	\$ 204,717	\$ 77,540	\$ 27,839	\$ 20,881	\$ (78,457)
<b>General Receipts</b>					
Property Taxes					\$ 11,783
Municipal Income Taxes					54,281
Other Taxes					169
Grants and Entitlements not Restricted to Specific Programs					15,466
Sale of Fixed Assets					1,000
Cable Franchise Fees					2,316
Earnings on Investments					10,544
Miscellaneous					3,507
Total General Receipts					99,066
Transfers					-
Advances					-
Total General Receipts and Transfers					99,066
Change in Net Assets					20,609
Net Assets Beginning of Year					431,282
Net Assets End of Year					\$ 451,891

See accompanying notes to the basic financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2010**

	<u>GENERAL</u>	<u>AMBULANCE</u>	<u>PUBLIC UTILITY PROCEEDS</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	\$ 82,609	\$ 80,704	\$ 272,000	\$ -	\$ 16,578	\$ 451,891
Total Assets	<u>\$ 82,609</u>	<u>\$ 80,704</u>	<u>\$ 272,000</u>	<u>\$ -</u>	<u>\$ 16,578</u>	<u>\$ 451,891</u>
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	\$ -	\$ 1,770	\$ -	\$ -	\$ -	\$ 1,770
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	82,609	-	-	-	-	82,609
Special Revenue Funds	<u>-</u>	<u>78,934</u>	<u>272,000</u>	<u>-</u>	<u>16,578</u>	<u>367,512</u>
Total Fund Balances	<u>\$ 82,609</u>	<u>\$ 80,704</u>	<u>\$ 272,000</u>	<u>\$ -</u>	<u>\$ 16,578</u>	<u>\$ 451,891</u>

See accompanying notes to the basic 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, 2010**

	GENERAL	AMBULANCE	PUBLIC UTILITY PROCEEDS	OTHER CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>						
Property and Other Local Taxes	\$ 11,952	\$ -	\$ -	\$ -	\$ -	\$ 11,952
Municipal Income Taxes	54,281	-	-	-	-	54,281
Intergovernmental	16,401	6,999	-	20,881	19,905	64,186
Special Assessments	-	-	-	-	233	233
Charges for Services	40,000	37,480	-	-	-	77,480
Fines, Licenses and Permits	2,376	-	-	-	-	2,376
Earnings on Investments	10,497	-	-	-	47	10,544
Miscellaneous	3,274	-	-	-	-	3,274
Total Receipts	<u>138,781</u>	<u>44,479</u>	<u>-</u>	<u>20,881</u>	<u>20,185</u>	<u>224,326</u>
<b>Disbursements</b>						
Current:						
Security of Persons and Property	50,280	14,681	-	-	-	64,961
Public Health Services	5,411	-	-	-	-	5,411
Leisure Time Activities	2,722	-	-	-	-	2,722
Community Environment	2,456	-	-	-	-	2,456
Basic Utility Services	1,586	-	-	-	140	1,726
Transportation	12,119	-	-	-	20,735	32,854
General Government	50,573	1,435	-	-	-	52,008
Capital Outlay	4,197	15,028	-	20,881	918	41,024
Total Disbursements	<u>129,344</u>	<u>31,144</u>	<u>-</u>	<u>20,881</u>	<u>21,793</u>	<u>203,162</u>
Excess of Receipts Over (Under) Disbursements	<u>9,437</u>	<u>13,335</u>	<u>-</u>	<u>-</u>	<u>(1,608)</u>	<u>21,164</u>
Other Financing Sources (Uses)						
Sale of Fixed Assets	-	1,000	-	-	-	1,000
Other Financing Uses	(1,555)	-	-	-	-	(1,555)
Total Other Financing Sources (Uses)	<u>(1,555)</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(555)</u>
Net Change in Fund Balances	7,882	14,335	-	-	(1,608)	20,609
Fund Balances Beginning of Year	<u>74,727</u>	<u>66,369</u>	<u>272,000</u>	<u>-</u>	<u>18,186</u>	<u>431,282</u>
Fund Balances End of Year	<u>\$ 82,609</u>	<u>\$ 80,704</u>	<u>\$ 272,000</u>	<u>\$ -</u>	<u>\$ 16,578</u>	<u>\$ 451,891</u>

See accompanying notes to the basic 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, 2010**

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 11,400	\$ 11,400	\$ 11,952	\$ 552
Municipal Income Taxes	72,000	72,000	54,281	(17,719)
Intergovernmental	15,801	15,801	16,401	600
Charges for Services	40,000	40,000	40,000	-
Fines, Licenses and Permits	2,250	2,250	2,376	126
Earnings on Investments	10,654	10,654	10,497	(157)
Miscellaneous	3,000	3,000	3,274	274
Total Receipts	155,105	155,105	138,781	(16,324)
<b>Disbursements</b>				
Current:				
Security of Persons and Property	67,916	70,334	50,280	20,054
Public Health Services	2,557	6,557	5,411	1,146
Leisure Time Activities	6,000	7,000	2,722	4,278
Community Environment	2,468	2,468	2,456	12
Basic Utility Services	1,603	1,586	1,586	-
Transportation	14,750	14,300	12,119	2,181
General Government	57,396	61,448	50,573	10,875
Capital Outlay	6,000	5,500	4,197	1,303
Total Disbursements	158,690	169,193	129,344	39,849
Excess of Receipts Over (Under) Disbursements	(3,585)	(14,088)	9,437	23,525
<b>Other Financing Sources (Uses)</b>				
Other Financing Uses	(1,500)	(2,000)	(1,555)	445
Total Other Financing Sources (Uses)	(1,500)	(2,000)	(1,555)	445
Net Change in Fund Balance	(5,085)	(16,088)	7,882	23,970
Unencumbered Cash Balance Beginning of Year	74,727	74,727	74,727	-
Prior Year Encumbrances Appropriated	-	-	-	-
Unencumbered Cash Balance End of Year	\$ 69,642	\$ 58,639	82,609	\$ 23,970
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 82,609	

See accompanying notes to the basic 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 Fund**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ -	\$ -	\$ 6,999	\$ 6,999
Charges for Services	41,898	41,898	37,480	(4,418)
Total Receipts	<u>41,898</u>	<u>41,898</u>	<u>44,479</u>	<u>2,581</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	15,816	19,190	14,681	4,509
General Government	1,600	1,600	1,435	165
Capital Outlay	11,000	18,000	16,798	1,202
Total Disbursements	<u>28,416</u>	<u>38,790</u>	<u>32,914</u>	<u>5,876</u>
Excess of Receipts Over (Under) Disbursements	<u>13,482</u>	<u>3,108</u>	<u>11,565</u>	<u>8,457</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	-	1,000	1,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balance	13,482	3,108	12,565	9,457
Unencumbered Cash Balance Beginning of Year	66,369	66,369	66,369	-
Prior Year Encumbrances Appropriated	-	-	-	-
Unencumbered Cash Balance End of Year	<u>\$ 79,851</u>	<u>\$ 69,477</u>	78,934	<u>\$ 9,457</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 78,934</u>	

See accompanying notes to the basic 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**  
**Public Utility Proceeds Fund**  
**For the Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>(Optional) Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Unencumbered Cash Balance Beginning of Year	272,000	272,000	272,000	-
Prior Year Encumbrances Appropriated	-	-	-	-
Unencumbered Cash Balance End of Year	<u>\$ 272,000</u>	<u>\$ 272,000</u>	272,000	<u>\$ -</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 272,000</u>	

See accompanying notes to the basic 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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	(Optional)
	<u>Original</u>	<u>Final</u>		Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ -	\$ 25,077	\$ 20,881	\$ (4,196)
Total Receipts	<u>-</u>	<u>25,077</u>	<u>20,881</u>	<u>(4,196)</u>
<b>Disbursements</b>				
Capital Outlay	-	-	20,881	(20,881)
Total Disbursements	<u>-</u>	<u>-</u>	<u>20,881</u>	<u>(20,881)</u>
Excess of Receipts Over (Under) Disbursements	<u>-</u>	<u>25,077</u>	<u>-</u>	<u>(25,077)</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	25,077	-	(25,077)
Unencumbered Cash Balance Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Unencumbered Cash Balance End of Year	<u>\$ -</u>	<u>\$ 25,077</u>	<u>-</u>	<u>\$ (25,077)</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ -</u>	

See accompanying notes to the basic financial statements

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited

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This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Government's financial activities for the year ended December 31, 2009, within the limitations of the Government's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

### **Highlights**

Key highlights for 2009 are as follows:

The Government's general receipts are primarily property and income taxes. These receipts represent respectively \$11,192 and \$71,711 of the total cash received for governmental activities during the year. Property and income tax receipts for 2009 changed very little compared to 2008 as there is little development within the Village.

The Huntsville Elementary School has closed and left a substantial gap in the income tax revenue. However, contracting with Central Collection Agency, May 1<sup>st</sup> saved the Village a good sum of money. The contract with Vonderhuevel Tax Service was severed end of April. Vonderhuevel Tax Service charged 16.25 percent of Huntsville Income Tax receipts. CCA is a non-profit agency operating under the state of Ohio and charges only operating fees.

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

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

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 Government as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2009, 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 Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the 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, an increase or decrease 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 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, the Village activities are all considered governmental activities. Most of the Village's basic services are reported here: fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

Fund financial statements provide detailed information about the 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.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the 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 only major governmental funds are the General Fund and Ambulance Fund, and Utility Trust Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited

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**The Government as a Whole**

Table 1 provides a summary of the Government's net assets for 2008 compared to 2009 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		Total	
	2008	2009	2008	2009
<b>Assets</b>				
Cash and Cash Equivalents	\$ 383,520	\$ 431,282	\$ 383,520	\$ 431,282
Total Assets	<u>\$ 383,520</u>	<u>\$ 431,282</u>	<u>\$ 383,520</u>	<u>\$ 431,282</u>
<b>Net Assets</b>				
Restricted for:				
Debt Service	\$ -	\$ -	\$ -	\$ -
Capital Outlay	2,274	-	2,274	-
Other Purposes	330,930	356,555	330,930	356,555
Unrestricted	<u>50,316</u>	<u>74,727</u>	<u>50,316</u>	<u>74,727</u>
Total Net Assets	<u>\$ 383,520</u>	<u>\$ 431,282</u>	<u>\$ 383,520</u>	<u>\$ 431,282</u>

As mentioned previously, net assets of governmental activities increased \$ 47,762 during 2009. The primary reasons contributing to the increases in cash balances are as follows:

The Village received \$8,159 in Ohio Public Works grant for repair to one street.

The Village saved money by not renewing contract with Vonderhuevel Tax Service for Income tax administration.

The elected officials were very judicious in spending money, knowing that money was tight based on the economic conditions affecting revenue.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2008 and 2009 for governmental activities, business-type activities and total primary government.

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

	Governmental	
	Activities	
	2008	2009
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 68,022	\$ 79,007
Operating Grants and Contributions	36,445	31,221
Total Program Receipts	104,467	110,228
General Receipts:		
Property and Other Local Taxes	11,143	11,192
Income Taxes	76,790	71,711
Intergovernmental	67,409	28,763
Sale of Fixed Assets	4,000	-
Cable Franchise Fees	2,142	2,142
Interest	2,488	19,851
Miscellaneous	2,544	3,715
Total General Receipts	166,516	137,374
Total Receipts	270,983	247,602
Disbursements:		
General Government	67,281	65,706
Security of Persons and Property:	99,780	71,507
Public Health Services	-	2,514
Leisure Time Activities	1,783	4,101
Community Environment	456	2,098
Basic Utilities	1,893	1,854
Transportation	35,091	30,094
Capital Outlay	85,397	21,157
Other Charges	812	809
Total Disbursements	292,493	199,840
Excess (Deficiency) Before Transfers	(21,510)	47,762
Transfers	-	-
Increase (Decrease) in Net Assets	(21,510)	47,762
Net Assets, January 1	405,030	383,520
Net Assets, December 31	\$ 383,520	\$ 431,282

Program receipts represent only 45 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and ambulance funding.

General receipts represent 55 percent of the Village's total receipts, and of this amount, over 29 percent are local taxes. The Village's investment of \$272,000 makes up 63 percent of the Village's assets.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited

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 fire protection and street lighting; Public Health Services reflects a fee imposed by health department; Leisure Time Activities are the costs of maintaining the parks and playing fields; and Transportation is the cost of maintaining the street department, fire department and equipment maintenance.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Government. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for transportation and security of persons and property. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$ 65,706	\$ 65,706	\$ 67,281	\$ 53,063
Security of Persons and Property	71,507	(18,900)	99,780	31,853
Public Health Services	2,514	2,514	-	-
Leisure Time Activities	4,101	4,101	1,783	1,783
Community Environment	2,098	1,998	456	361
Basic Utilities	1,854	1,854	1,893	1,893
Transportation	30,094	10,373	35,091	12,864
Capital Outlay	21,157	21,157	85,397	85,397
Other	809	809	812	812
<b>Total Expenses</b>	<b>\$ 199,840</b>	<b>\$ 89,612</b>	<b>\$ 292,493</b>	<b>\$ 188,026</b>

The dependence upon property and income tax receipts is apparent as over 96 percent of governmental activities are supported through these general receipts.

Huntsville Local Government  
Management's Discussion and Analysis  
For the Year Ended December 31, 2009  
Unaudited

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**The Government's Funds**

Total governmental funds had receipts of \$247,602 and disbursements of \$199,032. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$24,412 as the result of increased revenue in interest from certificates of deposit.

General Fund receipts were more than disbursements by \$25,220 indicating that the General Fund is in a sound situation, as council continues to monitor its expenditures.

**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 2009, the Village amended its General Fund budget several times to reflect changing circumstances. The Village budget did not appropriate all of the available money and so was able to supplement the appropriations without rearranging money within the appropriated accounts. The beginning budget did not take into account the OPWC grant, which was undetermined at the beginning of the year. As the project was completed in August, it was then added to the budget and appropriations.

Final disbursements were budgeted at \$200,125 while actual disbursements were \$150,757. Although receipts exceeded expectations, the Village kept spending in check and made no major purchases.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the 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, 2009**

	<u>Governmental Activities</u>	<u>Total</u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 431,282	\$ 431,282
Total Assets	<u>\$ 431,282</u>	<u>\$ 431,282</u>
 <b>Net Assets</b>		
Restricted for:		
Other Purposes	\$ 356,555	\$ 356,555
Unrestricted	<u>74,727</u>	<u>74,727</u>
Total Net Assets	<u>\$ 431,282</u>	<u>\$ 431,282</u>

See accompanying notes to the basic financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2009**

	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	\$ 71,507	\$ 78,907	\$ 11,500	\$ -	\$ 18,900
Public Health Services	2,514	-	-	-	(2,514)
Leisure Time Activities	4,101	-	-	-	(4,101)
Community Environment	2,098	100	-	-	(1,998)
Basic Utility Services	1,854	-	-	-	(1,854)
Transportation	30,094	-	19,721	-	(10,373)
General Government	65,706	-	-	-	(65,706)
Capital Outlay	21,157	-	-	-	(21,157)
Other	809	-	-	-	(809)
Total Governmental Activities	199,840	79,007	31,221	-	(89,612)
Total Primary Government	\$ 199,840	\$ 79,007	\$ 31,221	\$ -	\$ (89,612)
<b>General Receipts</b>					
Property Taxes					\$ 10,774
Municipal Income Taxes					71,711
Other Taxes					418
Grants and Entitlements not Restricted to Specific Programs					28,763
Cable Franchise Fees					2,142
Earnings on Investments					19,851
Miscellaneous					3,715
Total General Receipts					137,374
Transfers					-
Advances					-
Total General Receipts and Transfers					137,374
Change in Net Assets					47,762
Net Assets Beginning of Year					383,520
Net Assets End of Year					\$ 431,282

See accompanying notes to the basic financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2009**

	GENERAL	AMBULANCE	PUBLIC UTILITY PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 74,727	\$ 66,369	\$ 272,000	\$ 18,186	\$ 431,282
Total Assets	<u>\$ 74,727</u>	<u>\$ 66,369</u>	<u>\$ 272,000</u>	<u>\$ 18,186</u>	<u>\$ 431,282</u>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	74,727	-	-	-	74,727
Special Revenue Funds	<u>-</u>	<u>66,369</u>	<u>272,000</u>	<u>18,186</u>	<u>356,555</u>
Total Fund Balances	<u>\$ 74,727</u>	<u>\$ 66,369</u>	<u>\$ 272,000</u>	<u>\$ 18,186</u>	<u>\$ 431,282</u>

See accompanying notes to the basic 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, 2009**

	GENERAL	AMBULANCE	PUBLIC UTILITY PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>					
Property and Other Local Taxes	\$ 11,192	\$ -	\$ -	\$ -	\$ 11,192
Municipal Income Taxes	71,711	-	-	-	71,711
Intergovernmental	27,341	4,762	-	27,881	59,984
Charges for Services	40,000	38,907	-	-	78,907
Fines, Licenses and Permits	2,242	-	-	-	2,242
Earnings on Investments	19,776	-	-	75	19,851
Miscellaneous	3,715	-	-	-	3,715
Total Receipts	<u>175,977</u>	<u>43,669</u>	<u>-</u>	<u>27,956</u>	<u>247,602</u>
<b>Disbursements</b>					
Current:					
Security of Persons and Property	58,304	13,203	-	-	71,507
Public Health Services	2,514	-	-	-	2,514
Leisure Time Activities	4,101	-	-	-	4,101
Community Environment	2,098	-	-	-	2,098
Basic Utility Services	1,602	-	-	252	1,854
Transportation	13,227	-	-	16,867	30,094
General Government	64,506	1,200	-	-	65,706
Capital Outlay	4,404	6,320	-	10,433	21,157
Total Disbursements	<u>150,756</u>	<u>20,723</u>	<u>-</u>	<u>27,552</u>	<u>199,031</u>
Excess of Receipts Over (Under) Disbursements	<u>25,221</u>	<u>22,946</u>	<u>-</u>	<u>404</u>	<u>48,571</u>
Other Financing Sources (Uses)					
Other Financing Uses	(809)	-	-	-	(809)
Total Other Financing Sources (Uses)	<u>(809)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(809)</u>
Net Change in Fund Balances	24,412	22,946	-	404	47,762
Fund Balances Beginning of Year	<u>50,315</u>	<u>43,423</u>	<u>272,000</u>	<u>17,782</u>	<u>383,520</u>
Fund Balances End of Year	<u>\$ 74,727</u>	<u>\$ 66,369</u>	<u>\$ 272,000</u>	<u>\$ 18,186</u>	<u>\$ 431,282</u>

See accompanying notes to the basic 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, 2009**

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 11,771	\$ 11,771	\$ 11,192	\$ (579)
Municipal Income Taxes	72,000	72,000	71,711	(289)
Intergovernmental	16,897	16,897	27,341	10,444
Charges for Services	40,000	40,000	40,000	-
Fines, Licenses and Permits	2,200	2,200	2,242	42
Earnings on Investments	10,000	10,000	19,776	9,776
Miscellaneous	1,000	1,000	3,715	2,715
Total Receipts	153,868	153,868	175,977	22,109
<b>Disbursements</b>				
Current:				
Security of Persons and Property	73,197	69,596	58,304	11,292
Public Health Services	2,515	2,515	2,514	1
Leisure Time Activities	6,500	6,500	4,101	2,399
Community Environment	2,468	2,468	2,098	370
Basic Utility Services	1,603	1,603	1,602	1
Transportation	11,150	14,750	13,227	1,523
General Government	76,668	76,693	64,506	12,187
Capital Outlay	26,000	26,000	4,404	21,596
Total Disbursements	200,101	200,125	150,756	49,369
Excess of Receipts Over (Under) Disbursements	(46,233)	(46,257)	25,221	71,478
<b>Other Financing Sources (Uses)</b>				
Other Financing Uses	(1,500)	(1,500)	(809)	691
Total Other Financing Sources (Uses)	(1,500)	(1,500)	(809)	691
Net Change in Fund Balance	(47,733)	(47,757)	24,412	72,169
Unencumbered Cash Balance Beginning of Year	50,315	50,315	50,315	-
Prior Year Encumbrances Appropriated	-	-	-	-
Unencumbered Cash Balance End of Year	\$ 2,582	\$ 2,558	74,727	\$ 72,169
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			\$ 74,727	

See accompanying notes to the basic 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 Fund**  
**For the Year Ended December 31, 2009**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 2,500	\$ 2,500	\$ 4,762	\$ 2,262
Charges for Services	<u>28,898</u>	<u>34,898</u>	<u>38,907</u>	<u>4,009</u>
Total Receipts	<u>31,398</u>	<u>37,398</u>	<u>43,669</u>	<u>6,271</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	22,053	22,053	13,203	8,850
General Government	1,200	1,200	1,200	-
Capital Outlay	<u>9,000</u>	<u>9,000</u>	<u>6,320</u>	<u>2,680</u>
Total Disbursements	<u>32,253</u>	<u>32,253</u>	<u>20,723</u>	<u>11,530</u>
Excess of Receipts Over (Under) Disbursements	<u>(855)</u>	<u>5,145</u>	<u>22,946</u>	<u>17,801</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(855)	5,145	22,946	17,801
Unencumbered Cash Balance Beginning of Year	43,423	43,423	43,423	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 42,568</u>	<u>\$ 48,568</u>	66,369	<u>\$ 17,801</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			<u>-</u>	
Unencumbered Undesignated Fund Balance			<u>\$ 66,369</u>	

See accompanying notes to the basic 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**  
**Public Utility Proceeds Fund**  
**For the Year Ended December 31, 2009**

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Unencumbered Cash Balance Beginning of Year	272,000	272,000	272,000	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash Balance End of Year	<u>\$ 272,000</u>	<u>\$ 272,000</u>	272,000	<u>\$ -</u>
Unclaimed Money			-	
Permanent Funds (Nonexpendable)			-	
Unencumbered Undesignated Fund Balance			<u>\$ 272,000</u>	

See accompanying notes to the basic financial statements

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 1 – Reporting Entity**

The Village of Huntsville, Logan County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is governed by a six-member Council elected at large for four year terms. The Council elects the President of Council each year. The Mayor is elected to a four-year term, and votes only to break a tie.

**A. Primary Government**

The Village of Huntsville 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, park operations, and emergency life squad services. The Village appropriates general fund money to support a volunteer fire department. The Village contracted with the Logan County Sheriff's Department until February 2009 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.

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

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

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

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

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.

**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 activity is self-financing on a cash basis or draws from the general revenues of the Village.

**Fund Financial Statements**

During the year, 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 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 funds of the Village are all governmental.

**Governmental Funds**

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

**General Fund** – The General Fund is used to account for 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.

**Public Utility Proceeds 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.

**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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

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

**C. Basis of Accounting (continued)**

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 Village 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.

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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

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

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

During 2009, 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, 2010 and 2009, interest receipts were credited to the General Fund for \$10,497 and \$19,776, respectively. Interest receipts credited to all other funds were \$47 and \$75, respectively.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

**G. 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.

**H. Capital Assets**

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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

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

**I. Interfund Receivables/Payables**

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**J. 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.

**K. 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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. 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.

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either by enabling legislation or through external restrictions imposed by creditors, grantors, or other laws or regulations of other governments.

The Village's practice is first to apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

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

**N. Fund Balance Reserves**

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balances indicate that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, when necessary.

**O. Interfund Transactions**

Transfers between governmental 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.

**Note 3 – Accountability and Compliance**

**A. Compliance**

The Village is not aware of any violations of finance-related legal or contractual provisions.

The Village includes all funds required by law or regulation to help assure restrictions on disbursements. All funds supported by property taxes exist as required by law or regulation.

In 2010, the Village made excess disbursements over appropriations of \$20,881 in the capital projects fund included in the budgetary statements. The Village did not make any excess disbursements over appropriations in any other fund.

In 2009, the Village made no excess disbursements over appropriations in the general or major special revenue funds included in the budgetary statements, nor did the Village make any excess disbursements over appropriations in any other fund.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 3 – Accountability and Compliance (continued)**

**A. Compliance (continued)**

The Village did not appropriate more than was certified available for appropriation. The Village did not have a deficit in any fund.

The Village is not aware of any violations of debt covenants or contracts.

The Village did not have any violations of grant requirements such as disallowed costs or any failure to meet eligibility requirements or matching requirements that may require repayment.

The Village did not violate any laws relating to investments and deposits.

**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 and any major revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The encumbrances outstanding at December 31, 2010 (budgetary basis) amounted to \$1,770 for the ambulance fund. There were no encumbrances outstanding at December 31, 2009.

**Note 5 – 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.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 5 – Deposits and Investments (continued)**

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;
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).

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 5 – Deposits and Investments (continued)**

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 2010 and 2009, \$208,296 and \$184,195 of the Village's bank balance of \$458,296 and \$434,195 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

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 6 – Local Income Tax**

The Village levies a 1% income tax whose proceeds are placed into the General Fund. 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. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another municipality or 100% of the 1% tax rate on taxable income. 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.

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

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 7 – 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 2009 (2010) represent the collection of 2008 (2009) taxes. Property tax payments received during 2009 (2010) for tangible personal property (other than public utility property) were for 2009 (2010) taxes.

2009 (2010) real property taxes were levied after October 1, 2009 (2010), on the assessed values as of January 1, 2009 (2010), the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 (2010) real property taxes are collected in and intended to finance 2010 (2011).

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 second 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. 2009 (2010) public utility property taxes which became a lien on December 31, 2008 (2009), are levied after October 1, 2009 (2010), and are collected in 2010 (2011) with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2009 (2010), 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 2010 and 2009 property tax receipts were based are as follows:

	<b>2010</b>	<b>2009</b>
Real Property		
Residential	\$ 4,542,190	\$ 4,511,090
Agriculture	17,110	18,840
Industrial	88,700	88,700
Commercial	691,980	700,880
Public Utility - Personal	320,560	296,460
Tangible Personal Property	6,200	12,920
Total Assessed Value	\$ 5,666,740	\$ 5,628,890

The Tangible Personal Property tax is being phased out.

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

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

**Note 8 – Risk Management**

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc., functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP) which is also administered by ARPCO. 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 and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010 PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
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**Note 8 – 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, 2009 and 2010.

<u>Casualty &amp; Property Coverage</u>	<u>2010</u>	<u>2009</u>
Assets	\$ 34,952,010	\$ 36,374,898
Liabilities	<u>( 14,320,812)</u>	<u>( 15,256,862)</u>
Net Assets - unrestricted	<u>\$ 20,631,198</u>	<u>\$ 21,118,036</u>

At December 31, 2010 and 2009, respectively, casualty coverage liabilities above include approximately \$12.4 million and \$13.7 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, 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 \$28,108.

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>	
2008	\$12,891
2009	\$14,204
2010	\$14,054

After one year of membership, a member may withdraw on the anniversary of the date of joining 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 contribution. Withdrawing members have no other future obligation to PEP. 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 9 – 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, 2010 and 2009, members in state and local classifications contributed 10 percent of covered payroll.

The Village's contribution rate for pension benefits for 2010 and 2009 was 14.0 percent. The portion of Village contributions allocated to fund pension benefits is net of postemployment healthcare benefits. The portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$3,955, \$4,011, and \$4,377 respectively. The full amount has been contributed for 2010, 2009, and 2008.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 9 – Defined Benefit Pension Plans (continued)**

Elected officials who never have been members of OPERS are eligible to opt out of OPERS, but then must participate in Social Security. For 2010 and 2009 four Council members, the Fire Chief, the Assistant Fire Chief, and the EMT Coordinator opted out of OPERS and participated in Social Security.

**Note 10 - Postemployment Benefits**

**Ohio Public Employees Retirement System**

Plan description - The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit postemployment 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 coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment 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 postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment 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 postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010 and 2009, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of Village contributions allocated to healthcare for members was 7 percent for the period January 1 through March 31, 2009; 5.5 percent for the period April 1, 2009 through February 28, 2010; and 5 percent from March 1, 2010 through December 31, 2010.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 10 - Postemployment 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 postemployment healthcare plan.

The Village's actual contributions for 2010, 2009, and 2008 that were used to fund postemployment benefits were \$3,955, \$4,011, and \$4,377. The full amount has been contributed for 2010, 2009, and 2008.

**Note 11 – Debt**

The Village had no long-term debt activity for the years ended December 31, 2010 and 2009.

The Village has no debt service requirement for government activities outstanding at December 31, 2010 or 2009.

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 an amount equal to 10.5 percent of its tax valuation. The Village has no general obligation debt.

The Village had no conduit debt and no defeased debt.

**Note 12 – Interfund Transfers**

During 2010 and 2009 no transfers were made.

**Note 13 – Related Parties**

The Village contracted with a local bookkeeping service through April 2009 to administer the Village income tax. The contracted service prepared approximately five individual income tax returns that were filed with the Village.

The Clerk-Treasurer is related to a Council member whose term ended December 31, 2009. The Mayor is related to a Council member whose term ended December 31, 2009. A member of the fire department is related to a Council member whose term ended December 31, 2009.

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2010 AND 2009**

**Note 14 – Subsequent Events**

Subsequent events have been evaluated through May 27, 2011, the date of the independent auditor's report. No subsequent events which would warrant inclusion were discovered during the review.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *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, 2010, and December 31, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 27, 2011 wherein we noted the Village of Huntsville uses a comprehensive basis of accounting other than generally accepted accounting principles. 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*.

**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 opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies, resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We consider finding 2010-01 described in the accompanying Schedule of Findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our test disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2010-01.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 27, 2011.

We intend this report solely for the information and use of the Village Council and its management. We intend it for no one other than these specified parties.

*Taylor, Applegate, Hughes & Assoc., Ltd.*

Taylor, Applegate, Hughes and Associates, Ltd.  
May 27, 2011

**VILLAGE OF HUNTSVILLE  
LOGAN COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

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

**FINDING NUMBER 2010-001**

**Noncompliance/Material Weakness**

**Ohio Revised Code Section 5705.41(B)** provides that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2010, no appropriations were approved for the capital projects fund. Expenditures in the capital projects fund were \$20,881. The expenditures were incurred in December 2010 a result of a pass-through grant from Ohio Publics Works Commission.

The Village should develop and implement procedures to provide for necessary supplemental appropriations for expenditures not anticipated until close to year end.

**Officials' Response:** The Village chose not to respond.



# Dave Yost • 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  
JULY 14, 2011