



Mary Taylor, CPA  
Auditor of State



VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Woodstock  
Champaign County  
101 N. Main Street  
P.O. Box 134  
Woodstock, Ohio 43084

To the Village Council:

We have selectively tested certain accounts, financial records, files and reports of the Village of Woodstock, Champaign County, (the "Village"), as of and for the year ended December 31, 2005 following Ohio Admin. Code §117-4-02.

We found reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

The Village is experiencing certain financial difficulties. These conditions and management's plans are described in Note 10.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 27, 2007

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**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$9,534			\$9,534
Intergovernmental	18,309	\$15,673		33,982
Charges for Services	108			108
Fines, Licenses and Permits	315			315
Earnings on Investments		1,715		1,715
Miscellaneous	1,566	50		1,616
Total Cash Receipts	<u>29,832</u>	<u>17,438</u>		<u>47,270</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of Persons and Property	3,500			3,500
Transportation		13,632		13,632
General Government	34,709			34,709
Total Cash Disbursements	<u>38,209</u>	<u>13,632</u>		<u>51,841</u>
Total Receipts Over/(Under) Disbursements	(8,377)	3,806		(4,571)
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In	28	1,347		1,375
Transfers-Out		(1,375)		(1,375)
Total Other Financing Receipts / (Disbursements)	<u>28</u>	<u>(28)</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,349)	3,778		(4,571)
Fund Cash Balances, January 1	<u>(836)</u>	<u>24,054</u>	<u>\$23,862</u>	<u>47,080</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$9,185)</u></b>	<b><u>\$27,832</u></b>	<b><u>\$23,862</u></b>	<b><u>\$42,509</u></b>

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

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Proprietary Fund Type	Fiduciary Fund	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$86,277		\$86,277
Total Operating Cash Receipts	86,277		86,277
<b>Operating Cash Disbursements:</b>			
Personal Services	7,740		7,740
Contractual Services	32,617		32,617
Supplies and Materials	3,744		3,744
Total Operating Cash Disbursements	44,101		44,101
Operating Income	42,176		42,176
<b>Non-Operating Cash Disbursements:</b>			
Redemption of Principal	43,319		43,319
Interest and Other Fiscal Charges	11,796		11,796
Total Non-Operating Cash Disbursements	55,115		55,115
Excess of Receipts Over/(Under) Disbursements	(12,939)		(12,939)
Fund Cash Balances, January 1	47,141	\$18,830	65,971
<b>Fund Cash Balances, December 31</b>	<b>\$34,202</b>	<b>\$18,830</b>	<b>\$53,032</b>

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



**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Woodstock, Champaign County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including sewer utilities, park operations, and street construction, maintenance and repair. The Village contracts with the Champaign County Sheriff's department to provide security of persons and property.

The Village of Woodstock is associated with one jointly governed organization, the Northeast Champaign County Fire District. The District is directed by an appointed five member Board of Trustees. One member is appointed by each political subdivision within the Fire District. Those subdivisions are Rush Township, Wayne Township, the Village of North Lewisburg, and the Village of Woodstock. The four subdivisions appoint a fifth member who only votes in the event of a tie vote.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Village maintains all of its funds in interest bearing checking accounts.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

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

**Permissive Tax Fund** – This fund receives auto registration money from the state for constructing, maintaining and repairing Village streets.

**3. Capital Project Fund**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or private-purpose trust funds). The Village had the following significant capital project fund:

**Permanent Improvement Fund** – The source of the balance in this fund is in the process of being identified by the Village. The balance appears to be a combination of grant money and assessments paid in advance by residents for the construction of the sewer system. See Note 11.b.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

**Sewer Fund** - This fund receives charges for services from residents to cover sewer service costs.

**Water Pollution Control Loan (WPCL) Fund** - This fund was established to account for the payment to Ohio Water Development Authority for the debt obligation disclosed in Note 5. A utility surcharge recorded in this fund will repay this loan.

**Ohio Public Works Commission (OPWC) Fund** - This fund was established to account for the debt obligation payment disclosed in Note 5. A utility surcharge recorded in this fund will repay this loan.

**5. Agency Fund**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village had the following significant Enterprise Fund:

**Escrow Fund** - This fund was established by agreement with the Village of North Lewisburg to ensure payment to North Lewisburg for sewage treatment in the event of deficiencies in sewer collections.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not encumber all commitments required by Ohio law.

A summary of 2005 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

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

	<b>2005</b>
Demand deposits	\$95,541

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2005 follows:

<b>2005 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$32,274	\$29,860	(\$2,414)
Special Revenue	14,515	18,785	4,270
Enterprise	83,066	86,277	3,211
Total	\$129,855	\$134,922	\$5,067

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2005 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$36,201	\$38,209	(\$2,008)
Special Revenue	32,730	15,007	17,723
Enterprise	96,433	99,216	(2,783)
Total	\$165,364	\$152,432	\$12,932

Contrary to Ohio law, the Village had expenditures exceeding appropriations in the General, Street Construction, Maintenance & Repair Fund, FEMA and Sewer Operating Fund during 2005. Also, contrary to Ohio law, at December 31, 2005, the General and Park funds had a cash deficit balance of \$9,185 and \$9,087 respectfully.

**4. PROPERTY TAX**

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

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ohio Public Works Commission Loan	\$400,648	0%
Water Pollution Control Loan Fund	274,507	4.12%
Total	\$675,155	

The Ohio Water Pollution Control Loan Fund (WPCLF) and the Ohio Public Works Commission (OPWC) Loan relates to a sewer plant system expansion project that was mandated by the Ohio Environmental Protection Agency. The WPCLF approved \$372,000 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$13,743, including interest, over 20 years. The OPWC approved \$552,618 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$13,815 over 20 years. The loans are secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover WPCLF and OPWC debt service requirements.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**5. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>OWDA Loan</u>	<u>WPCLF Loan</u>	<u>Total</u>
2006	\$13,815	\$13,743	\$27,558
2007	27,631	27,485	55,116
2008	27,631	27,485	55,116
2009	27,631	27,485	55,116
2010	27,631	27,485	55,116
2011-2115	138,154	137,425	275,579
2016-2020	138,155	96,195	234,350
Total	<u>\$400,648</u>	<u>\$357,303</u>	<u>\$757,951</u>

**6. RETIREMENT SYSTEMS**

Effective July 1, 1991, all officials have an option to choose Social Security or the Public Employees Retirement System of Ohio. As of December 31, 2005, some officials of the Village have elected Social Security. The Village's liability is 6.2 percent of compensation paid.

The Village's employees and other officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005, OPERS members contributed 8.5% of their gross salaries and the Village contributed an amount equaling 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**8. JOINTLY GOVERNED ORGANIZATIONS**

The Village of Woodstock is associated with one jointly governed organization, the Northeast Champaign County Fire District. The District is directed by an appointed five member Board of Trustees. One member is appointed by each political subdivision within the Fire District. Those subdivisions are Rush Township, Wayne Township, the Village of North Lewisburg, and the Village of Woodstock. The four subdivisions appoint a fifth member who only votes in the event of a tie vote.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005  
(Continued)**

**9. COMPLIANCE**

Contrary to Ohio Law, the Village failed to maintain Appropriation and Receipt Ledgers in 2005.

**10. FISCAL EMERGENCY**

The village required assistance from Local Government Services to reconstruct the village's books for 2003- 2005. After the reconstruction, it was determined that the General Fund was in a deficit. The mayor then requested the Auditor of State to review the village's financial position. The review identified the existence of a fiscal emergency condition and declared the Village to be in fiscal emergency on July 20, 2006. The village is now under the financial supervision of Local Government Services a division of the Auditor of State's Office. The Village adopted a recovery plan January 16, 2007 and expects to have all funds out of deficit by 2009. The plan includes an increase in sewer rates, and the implementation of an income tax.

**11. SUBSEQUENT EVENTS**

- A. Effective July 1, 2006, the Village began to collect a 1% income tax. This revenue will be recorded in the General Fund.
- B. On July 20, 2006, the Auditor of State's Office declared the Village to be in fiscal emergency. This fiscal emergency was the result of the Village having aggregate deficit funds as of December 31, 2005 and May 31, 2006 of \$18,272 and \$15,769, respectively.
- C. The Village had a Capital Projects Fund that contained monies from the WPCLF and OPWC loans for the sewer project. The Village found documentation that the Sewer Operating Fund monies were used for expenditures relating to the sewer project instead of the Capital Project Fund. The Village reallocated these monies from the Capital Projects Fund to the Sewer Operating Fund as a reallocation of expenditures which was recorded on the books in 2007.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Village of Woodstock  
Champaign County  
101 N. Main Street  
P.O. Box 134  
Woodstock, Ohio 43084

To the Village Council:

We have selectively tested certain accounts, financial records, files and reports of the Village of Woodstock, Champaign County, (the Village) as of and for the year ended December 31, 2005, following Ohio Admin. Code §117-4-02. We also noted the Village is experiencing certain financial difficulties. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinion on these matters.

### Internal Control over Financial Reporting

During our procedures relating to the Village's internal control over financial reporting we noted a matter that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. In addition, this matter could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing their assigned functions. This matter is described in the schedule of findings as items 2005-006.

We also noted certain matters that we reported to the Village's management in a separate letter dated September 27, 2007.

### Compliance and Other Matters

We tested compliance with certain provisions of laws, regulations, contracts, and grant agreements applicable to the Village. Noncompliance with these requirements could impact the Village's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying schedule of findings as items 2005-001 through 2005-005.

We also noted certain noncompliance or other matters that we reported to the Village's management in a separate letter dated September 27, 2007.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

September 27, 2007



**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005**

**FINDING NUMBER 2005-001**

**Ohio Rev. Code Section 5705.41(D)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution by the Village Council against any specific line item account over a period not running beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 100% of expenditures tested and the exceptions listed above were not utilized. The failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Village's Fiscal Officer certify that the funds are or will be available prior to the obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

#### FINDING NUMBER 2005-002

**Ohio Rev. Code Section 5705.10** states, in pertinent part, that the monies paid into any fund shall be used only for the purpose for which such fund was established. The existence of a deficit fund cash balance in any fund indicates that money from another fund or funds have been used to pay the obligations of the fund or funds carrying the deficit balance.

At December 31, 2005, the General Fund and Park Special Revenue Funds had deficit balances of \$9,185, and \$9,087 respectively.

As part of the review of financial reports, the Village Council should look for trends in fund activity that may be an indication of deficit spending. One key indicator of potential deficit spending is when actual resources are not at a level to cover current appropriations.

#### FINDING NUMBER 2005-003

##### Accounting Records

**Ohio Admin. Code Section 117-2-02(D)** requires all local public offices to maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- (1) Cash journal which typically contains the following information: the amount, date, receipt number, check number and any other information necessary to properly classify the transaction.
- (2) Receipts ledger which would contain the amount, date, name of the payer, purpose, receipt number and other information required for the transaction can be recorded on this ledger.
- (3) Appropriation ledger which would contain the amount, fund, date, check number, amount of disbursement, balance and any other information required may be entered in the appropriate columns.

The Village of Woodstock did not maintain the receipt or appropriation ledgers for calendar year 2005. In addition, Council should receive monthly financial reports from the fiscal officer including copies of bank reconciliations to monitor that these ledgers are being maintained.

#### FINDING NUMBER 2005-004

**Ohio Rev. Code Section 149.351(A)** states all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Section 149.41, Revised Code.

The 2005 sewer payment log, Board of Public Affairs check log report, accounts and balances report, and deposit slips were not made available by the Village during the audit. Management should retain all of the Village records per an approved records retention policy.

**FINDING NUMBER 2005-005**

**Ohio Revised Code Section 5705.41 (B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated. In 2005, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variances</u>
General	36,201	38,209	(2,008)
Street Construction Maintenance & Repair	10,017	12,260	(2,243)
FEMA	0	1,375	(1,375)
Sewer Operating Fund	41,318	44,101	(2,783)

While the Village does budget at the Fund/Function level, it is not feasible to report the violation at that level due to the method of budgeting and reporting financial activity by the Village. The Village Council should review budgetary reports to help identify potential instances where expenditures may exceed appropriations at the legal level and/or fund level. When potential negative variances are identified, spending should be reduced or appropriations should be increased provided adequate resources will be available to cover the expenditures.

**FINDING NUMBER 2005-006**

**Posting of Revenue**

All revenue received should be posted to the Village books and to the proper funds. The following errors were identified:

- August 2005 tax settlement from the Champaign County Auditor was posted at gross but included \$632 in rollbacks. This represents 2% of 2005 General Fund Revenue;
- April 2005 real estate settlement of \$5,278 was posted to miscellaneous revenue instead of taxes in the General Fund. This represents 18% of General Fund revenue;
- Interest revenue of \$1,715 and property tax rollbacks (received from the State of Ohio) of \$616 were posted to miscellaneous revenue instead of the proper revenue account in the General Fund. These represent 5.7% and 2% of General Fund revenue respectively;
- Commercial Activity Tax (CAT) reimbursements, dealer intangible and public utility reimbursements were posted to tax revenue in 2006 instead of intergovernmental revenue. This amounted to \$205, or less than 1% of General Fund revenues.
- 2005 gas tax and auto registration fees were posted to tax revenue instead of intergovernmental revenue. This amounted to \$11,790 in the Street Fund, and \$956 in the State Highway fund, or 73% of Special Revenue Fund Type revenues.
- Receipts were not written for all revenue.

The above weaknesses and errors caused the financial statements to incorrectly reflect the activity and balances of the Village. To improve controls over revenue and to avoid making adjustments to the Village's fund balances, the Fiscal Officer should:

- Write a receipt for all revenue when received;
- Post tax settlements from the County Auditor at gross amount less rollbacks;
- Use due care in the future to ensure that revenue is posted to the correct revenue account. CAT reimbursements are received from the State, and therefore should be posted to intergovernmental revenue account.

**Official's Response:**

We did not receive a response from officials to the findings reported above.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR ENGAGEMENT FINDINGS  
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2004-001	ORC 9.38 - Sewer receipts not deposited for two or more days.	Yes	
2004-002	ORC 117.38 – annual report not filed within 60 days	Yes	
2004-003	ORC 149.351(A) – destruction of records	No	Reissued, #2005-004
2004-004	ORC 5705.10 – funds carrying a deficit balance	No	Reissued, #2005-002
2004-005	ORC 5705.34 – Council authorizing the necessary tax levies	Yes	
2004-006	ORC 5705.39 – appropriations exceeding estimated resources	Yes	
2004-007	ORC 5705.41(B) – expenditures exceeded appropriations	No	Reissued, #2005-005
2004-008	ORC 5705.41(D) – purchases made without certifying the availability of appropriations	No	Reissued, #2005-001
2004-009	ORC 5705.46 – payment of compensation without Council approving the pay rates	Yes	
2004-010	Ohio Const. Art. XII, Section 5a – interest was not allocated to funds that received motor vehicle license tax or fuel tax revenue	Yes	
2004-011	26 CFR Sec. 1.6041-1 – failure to prepare 1099s for independent contractors paid \$600 or more	Yes	
2004-012	WPCLF Agreement, Section 4.3b – failure to submit annual report to OWDA and EPA	Yes	
2004-013	Village Ordinance #08-28-97A – failure to establish a separate fund for 2 sewer debt obligations	Yes	
2004-014	Village Council should establish procedures for the billing & collection of utility revenue	Partially Corrected	Modified, reissued; #2005-004
2004-015	Village should complete and maintain payroll ledgers	Yes	
2004-016	Accounting records should be maintained & reconciled each month, bank reconciliations should be performed monthly	Partially Corrected	Modified, citation for records given (#2005-003) and accounting recommendation (2005-006)
2004-017	Establishing an audit committee	No	No longer valid; under fiscal emergency



Mary Taylor, CPA  
Auditor of State

VILLAGE OF WOODSTOCK

CHAMPAIGN COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
NOVEMBER 20, 2007