



**Auditor of State  
Betty Montgomery**



WOODVILLE TOWNSHIP  
SANDUSKY COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Woodville Township  
Sandusky County  
321 E. Main Street, P.O. Box 121  
Woodville, Ohio 43469-0121

To the Board of Trustees:

We have audited the accompanying financial statements of Woodville Township, Sandusky County, (the Township) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Woodville Township, Sandusky County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2003 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Woodville Township  
Sandusky County  
Independent Accountants' Report  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

May 30, 2003

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<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>				
Local Taxes	\$42,189	\$273,458		\$315,647
Intergovernmental	32,450	148,044	\$114,187	294,681
Licenses, Permits, and Fees	2,489	10,383		12,872
Earnings on Investments	7,375			7,375
Other Revenue	4,702	21,790		26,492
	<u>89,205</u>	<u>453,675</u>	<u>114,187</u>	<u>657,067</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	79,790	173,169		252,959
Public Safety	11,700			11,700
Public Works	5,622	148,869		154,491
Health	584	20,778		21,362
Capital Outlay		19,341	114,187	133,528
	<u>97,696</u>	<u>362,157</u>	<u>114,187</u>	<u>574,040</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	(8,491)	91,518		83,027
Fund Cash Balances, January 1	<u>13,649</u>	<u>383,561</u>		<u>397,210</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$5,158</b></u>	<u><b>\$475,079</b></u>		<u><b>\$480,237</b></u>
Reserve for Encumbrances, December 31	<u>\$1,304</u>	<u>\$1,349</u>		<u>\$2,653</u>

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

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$40,988	\$274,027		\$315,015
Intergovernmental	41,737	167,037	\$45,391	254,165
Licenses, Permits, and Fees	2,798	9,137		11,935
Earnings on Investments	2,620	1,694		4,314
Other Revenue	6,884	4,394		11,278
	<u>95,027</u>	<u>456,289</u>	<u>45,391</u>	<u>596,707</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	112,177	168,641		280,818
Public Safety	9,243			9,243
Public Works	20,000	147,998		167,998
Health	596	25,261		25,857
Capital Outlay	1,793	15,564	45,391	62,748
	<u>143,809</u>	<u>357,464</u>	<u>45,391</u>	<u>546,664</u>
Total Receipts Over/(Under) Disbursements	<u>(48,782)</u>	<u>98,825</u>		<u>50,043</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Advances-In	1,000			1,000
Advances-Out		(1,000)		(1,000)
	<u>1,000</u>	<u>(1,000)</u>		
Total Other Financing Receipts and (Disbursements)	<u>1,000</u>	<u>(1,000)</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(47,782)	97,825		50,043
Fund Cash Balances, January 1	<u>61,431</u>	<u>285,736</u>		<u>347,167</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$13,649</b></u>	<u><b>\$383,561</b></u>		<u><b>\$397,210</b></u>
Reserve for Encumbrances, December 31				

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



**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Woodville Township, Sandusky County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with North Central Emergency Medical Service to provide ambulance services.

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

**B. Basis of Accounting**

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

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

**C. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

*EMS Fund* - This fund receives property tax money and a subsidy from Sandusky County to pay for the upkeep of EMS personnel and equipment.

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. Capital Project Funds**

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

*Issue II Fund* - The Township received a grant from the State of Ohio to pave Township Roads.

**D. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

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

**F. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH**

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

	2002	2001
Demand deposits	\$480,237	\$397,210

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,923	\$89,205	(\$23,718)
Special Revenue	421,784	453,675	31,891
Capital Projects		114,187	114,187
Total	\$534,707	\$657,067	\$122,360

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$123,747	\$99,000	\$24,747
Special Revenue	797,062	363,506	433,556
Capital Projects		114,187	(114,187)
Total	\$920,809	\$576,693	\$344,116

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$100,022	\$95,027	(\$4,995)
Special Revenue	421,912	456,289	34,377
Capital Projects	45,391	45,391	
Total	\$567,325	\$596,707	\$29,382

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$158,862	\$143,809	\$15,053
Special Revenue	673,760	357,464	316,296
Capital Projects	45,391	45,391	
Total	\$878,013	\$546,664	\$331,349

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Capital Projects fund by \$114,187 for the year ended December 31, 2002. Also contrary to Ohio law, the Township did not obtain amended certificates of estimated resources in the General, Gasoline Tax and Capital Projects funds for the year ended December 31, 2002.

**4. PROPERTY TAX**

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

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

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

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

**5. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Inland Marine.
- Automobile.
- Emergency Services.

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**Auditor of State  
Betty Montgomery**

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

Woodville Township  
Sandusky County  
321 E. Main Street, P.O. Box 121  
Woodville, Ohio 43469-0121

To the Board of Trustees:

We have audited the accompanying financial statements of Woodville Township, Sandusky County, (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 30, 2003. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 30, 2003.

**Internal Control over Financial Reporting**

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 30, 2003.

Woodville Township  
Sandusky County  
Independent Accountants' Report on Compliance and on Internal  
Control Required by *Government Auditing Standards*  
Page 2

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

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**Betty Montgomery**  
Auditor of State

May 30, 2003



**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

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

**FINDING NUMBER 2002-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.36 states an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resource below the current level of appropriation. We found the following variances that meet the requirements for obtaining either increased or decreased amended certificates.

Fund	Estimated Receipts	Actual Receipts	Variance
2002			
General	\$112,923	\$89,205	(\$23,718)
Gasoline Tax	48,000	45,199	(2,801)
Capital Projects		114,187	114,187

We recommend the Township obtain amended certificates as required.

**FINDING NUMBER 2002-002**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. In Fiscal Year 2002, expenditures (\$114,187) exceeded appropriations (\$0) in the Capital Projects Fund by \$114,187. We recommend the Township approve supplemental appropriations when necessary.

**WOODVILLE TOWNSHIP  
SANDUSKY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2000-40172-001	Ohio Revised Code § 5705.41(D) failure to certify funds	No	Partially corrected. This comment is included in the management letter.



**Auditor of State  
Betty Montgomery**

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**WOODVILLE TOWNSHIP**

**SANDUSKY 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 1 , 2003**