



Dave Yost • Auditor of State



VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Enterprise Funds - For the Year Ended December 31, 2014 .....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Enterprise Funds - For the Year Ended December 31, 2013 .....	6
Notes to the Financial Statements .....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15
Schedule of Findings.....	17

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Woodstock  
Champaign County  
P.O. Box 134  
Woodstock, Ohio 43084-0134

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Woodstock, Champaign County, (the Village) as of and for the years ended December 31, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1B of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Woodstock, Champaign County, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 9, 2015

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$3,703	\$1,586		\$5,289
Municipal Income Tax	43,421			43,421
Intergovernmental	24,922	13,938	\$186,478	225,338
Fines, Licenses and Permits	35			35
Miscellaneous	391			391
Total Cash Receipts	<u>72,472</u>	<u>15,524</u>	<u>186,478</u>	<u>274,474</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of Persons and Property	4,998			4,998
Public Health Services	1,097			1,097
Leisure Time Activities	2,875			2,875
Community Environment	488			488
Transportation		38,278		38,278
General Government	33,888			33,888
Capital Outlay		2,792	208,478	211,270
Total Cash Disbursements	<u>43,346</u>	<u>41,070</u>	<u>208,478</u>	<u>292,894</u>
Excess of Receipts Over (Under) Disbursements	<u>29,126</u>	<u>(25,546)</u>	<u>(22,000)</u>	<u>(18,420)</u>
<b>Other Financing Receipts (Disbursements):</b>				
Transfers In		20,000	22,000	42,000
Transfers Out	(42,000)			(42,000)
Total Other Financing Receipts (Disbursements)	<u>(42,000)</u>	<u>20,000</u>	<u>22,000</u>	<u></u>
Net Change in Fund Cash Balances	(12,874)	(5,546)		(18,420)
Fund Cash Balances, January 1	<u>61,041</u>	<u>34,355</u>	<u>937</u>	<u>96,333</u>
<b>Fund Cash Balances, December 31:</b>				
Restricted		28,809	937	29,746
Assigned	14,465			14,465
Unassigned	33,702			33,702
Fund Cash Balances, December 31	<u>\$48,167</u>	<u>\$28,809</u>	<u>\$937</u>	<u>\$77,913</u>

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

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$124,637
Total Operating Cash Receipts	124,637
<b>Operating Cash Disbursements:</b>	
Personal Services	21,692
Employee Fringe Benefits	3,255
Contractual Services	31,948
Supplies and Materials	24,581
Total Operating Cash Disbursements	81,476
Operating Income	43,161
<b>Non-Operating Receipts (Disbursements):</b>	
Miscellaneous Receipts	223
Principal Retirement	(50,277)
Interest and Other Fiscal Charges	(4,839)
Total Non-Operating Receipts (Disbursements)	(54,893)
Loss Before Transfers	(11,732)
Transfers In	55,320
Transfers Out	(55,320)
Net Change in Fund Cash Balances	(11,732)
Fund Cash Balances, January 1	98,391
Fund Cash Balances, December 31	\$86,659

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



**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$3,624			\$3,624
Municipal Income Tax	39,325			39,325
Intergovernmental	8,732	\$19,066	\$98,991	126,789
Charges for Services	50			50
Fines, Licenses and Permits	105			105
Miscellaneous	542			542
Total Cash Receipts	<u>52,378</u>	<u>19,066</u>	<u>98,991</u>	<u>170,435</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of Persons and Property	4,759			4,759
Public Health Services	710			710
Leisure Time Activities	3,049			3,049
Community Environment	488			488
Transportation		11,695		11,695
General Government	36,276			36,276
Capital Outlay			98,054	98,054
Total Cash Disbursements	<u>45,282</u>	<u>11,695</u>	<u>98,054</u>	<u>155,031</u>
Excess of Receipts Over Disbursements	<u>7,096</u>	<u>7,371</u>	<u>937</u>	<u>15,404</u>
Fund Cash Balances, January 1	<u>53,945</u>	<u>26,984</u>		<u>80,929</u>
<b>Fund Cash Balances, December 31:</b>				
Restricted		34,355	937	35,292
Assigned	61,041			61,041
Fund Cash Balances, December 31	<u>\$61,041</u>	<u>\$34,355</u>	<u>\$937</u>	<u>\$96,333</u>

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

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$125,828
Total Operating Cash Receipts	125,828
<b>Operating Cash Disbursements:</b>	
Personal Services	15,142
Employee Fringe Benefits	2,741
Contractual Services	30,958
Supplies and Materials	8,096
Total Operating Cash Disbursements	56,937
Operating Income	68,891
<b>Non-Operating Disbursements:</b>	
Principal Retirement	(49,331)
Interest and Other Fiscal Charges	(5,785)
Total Non-Operating Disbursements	(55,116)
Income before Transfers	13,775
Transfers In	55,320
Transfers Out	(55,320)
Net Change in Fund Cash Balances	13,775
Fund Cash Balances, January 1	84,616
Fund Cash Balances, December 31	\$98,391

*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, 2014 AND 2013**

**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 sewer utilities, street maintenance and general government services. The Village contracts with The Northeast Champaign County Fire District for fire protection and rescue services.

The Village participates in a jointly governed organization. Note 10 to the financial statements provides additional information for these entities. The organization is:

Jointly Governed Organization:

**The Northeast Champaign County Fire District** - The Village contracts with the Organization to receive fire protection and rescue services. The Village appoints two members (one voting, one contingent) to the governing board of The Northeast Champaign County Fire District.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits**

The Village has one checking account, which is valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**State Highway Fund** – This fund receives gasoline tax and motor vehicle license taxes to fund part of the maintenance of the state highway within the Village limits.

**Permissive Motor Vehicle License Tax Fund** – This fund receives motor vehicle registration fees for local street maintenance.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

**Capital Project** – This fund received proceeds from an OPWC grant and inter-fund transfers to finance improvements on State Highway 559 at the south end of the Village.

**4. Enterprise Fund**

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 Fund:

**Sewer Fund** - This fund receives charges for services from residents to cover sewer service costs and retirement of debt related to the sewer system.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. 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 approve estimated resources.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year in 2014. In 2013, encumbrances outstanding at year end were carried over, and need not be re-appropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Non-spendable**

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**G. 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.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS**

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

	<b>2014</b>	<b>2013</b>
Demand deposits	\$164,572	\$194,724
Total deposits	\$164,572	\$194,724

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

**2014 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$50,975	\$72,472	\$21,497
Special Revenue	59,500	35,524	(23,976)
Capital Projects	208,479	208,478	(1)
Enterprise	180,400	180,180	(220)
Total	\$499,354	\$496,654	(\$2,700)

**2014 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$111,753	\$85,346	\$26,407
Special Revenue	68,804	41,070	27,734
Capital Projects	209,415	208,478	937
Enterprise	219,246	191,912	27,334
Total	\$609,218	\$526,806	\$82,412

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2013 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$54,975	\$52,378	(\$2,597)
Special Revenue	14,330	19,066	4,736
Capital Projects	302,960	98,991	(203,969)
Enterprise	180,400	181,148	748
Total	\$552,665	\$351,583	(\$201,082)

<b>2013 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$84,953	\$45,600	\$39,353
Special Revenue	20,365	11,695	8,670
Capital Projects	302,960	98,054	204,906
Enterprise	182,727	167,373	15,354
Total	\$591,005	\$322,722	\$268,283

**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.

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

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. DEBT**

Debt outstanding at December 31, 2014 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ohio Public Works Commission Loan	\$151,970	0%
Ohio Water Development Authority Loan	100,410	4.12
Total	\$252,380	

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**6. DEBT (Continued)**

The Ohio Public Works Commission (OPWC) loan relates to construction of sewage collection and transport infrastructure. The OPWC approved \$552,618 to be repaid in semi-annual installments of \$13,815 at 0% for 20 years. The Ohio Water Development Authority (OWDA) loan relates to construction of an interceptor connecting the Woodstock system to the municipal treatment plant in North Lewisburg, OH.

The Ohio Water Development Authority (OWDA) approved a \$372,000 loan to be repaid in semi-annual installments of \$13,742 at 4.12% for 20 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

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

<u>Year ending December 31:</u>	<u>OPWC Loan</u>	<u>OWDA Loan</u>
2015	\$27,631	\$27,485
2016	27,631	27,485
2017	27,631	27,485
2018	27,631	27,485
2019	27,631	
2020	13,815	
Total	<u>\$151,970</u>	<u>\$109,940</u>

**7. RETIREMENT SYSTEMS**

The Village employees 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 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- A surety bond for the Fiscal Officer position.

**9. CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**10. JOINTLY GOVERNED ORGANIZATIONS**

The Village contracts with the Northeast Champaign County Fire District for fire protection and rescue services. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints one voting member and one alternate member. Those subdivisions are the Village of North Lewisburg, Village of Woodstock, Rush Township and Wayne Township.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Woodstock  
Champaign County  
P.O. Box 134  
Woodstock, Ohio 43084-0134

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Woodstock, Champaign County, (the Village) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 9, 2015

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2014-001**

**MATERIAL WEAKNESS– FINANCIAL STATEMENT ADJUSTMENTS AND RECLASSIFICATIONS**

The Village prepared its annual financial statements in accordance with the accounting practices the Auditor of State prescribes or permits. The Village's annual financial statements for 2014 and 2013 were adjusted for the following errors:

- Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions requires that when the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. Stated differently, if appropriations (temporary or annual) exceed estimated receipts (not resources), the excess is to be assigned as it uses existing fund balance at year end. This would be applicable to the general fund as it is the only fund with a positive unassigned fund balance. The Village did not include the \$60,778 in excess of 2014 appropriations over estimated receipts and outstanding encumbrances of \$318 as assigned fund balance in the General Fund for 2013, and \$14,465 in excess of 2015 appropriations over estimated receipts as assigned fund balance in the General Fund for 2014.
- The Village failed to record on-behalf payments made by the Ohio Public Works Commission (OPWC) in 2014 and 2013 in the amounts of \$186,478 and \$72,454 respectively as memo receipts and disbursements in the Capital Projects Fund.
- The Village in 2013, recorded \$1,540 in intergovernmental receipts as property tax receipts in the Special Revenue Fund.
- The Village in 2014, recorded \$16,992 from the Champaign County Auditor in the General Fund as an Other Financing Source rather than as intergovernmental receipt for State Highway 559 project, rather than recording in the Capital Project Fund. The Village transferred money from the General Fund to the Capital Project Fund in 2014 to cover project expenses. The Village should have approved an advance rather than a transfer and repaid the General Fund when funds were received. The financial statements and underlying accounting records were not adjusted for this error, since proceeds were expended for the project.
- The Village in 2013, recorded \$125 in intergovernmental receipts in the State Highway Special Revenue Fund rather than in the Street Construction, Maintenance and Repair Special Revenue Fund. The Village has recorded this adjustment in their accounting system.

We also noted that in 2014 and 2013 the Village recorded intergovernmental receipts in the amounts of \$533 and \$523 respectively in the General Fund as property tax receipts. The accompanying financial statements were not adjusted for this error.

The Village should implement procedures to review the financial statements to improve the accuracy and completeness of the statements and to provide for comparative financial statements from year to year. Failure to do so could result in materially misstated financial statements being issued.

**Officials' Response:**

We did not receive a response from officials.

**This page intentionally left blank.**



# Dave Yost • 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  
DECEMBER 15, 2015**