



Dave Yost • Auditor of State



VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY

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# Dave Yost • Auditor of State

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

To the Mayor and the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style.

**Dave Yost**  
Auditor of State

May 12, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Mayor and the Village Council:

We have audited the accompanying financial statements of the Village of Woodstock, Champaign County (the Village), as of and for the years ended December 31, 2010 and 2009. 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, 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 the Village of Woodstock, Champaign County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 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.



**Dave Yost**  
Auditor of State

May 12, 2011



**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, 2010**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$7,625	\$1,431	\$9,056
Municipal Income Tax	31,420		31,420
Intergovernmental	16,649	12,660	29,309
Fines, Licenses and Permits	280		280
Earnings on Investments	75	89	164
Miscellaneous	582		582
Total Cash Receipts	<u>56,631</u>	<u>14,180</u>	<u>70,811</u>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	4,960		4,960
Public Health Services	925		925
Leisure Time Activities	4,151		4,151
Community Environment	275		275
Transportation		10,200	10,200
General Government	37,697		37,697
Total Cash Disbursements	<u>48,008</u>	<u>10,200</u>	<u>58,208</u>
Total Receipts Over/(Under) Disbursements	8,623	3,980	12,603
Fund Cash Balances, January 1	<u>25,927</u>	<u>39,502</u>	<u>65,429</u>
Fund Cash Balances, December 31	<u>\$34,550</u>	<u>\$43,482</u>	<u>\$78,032</u>
Reserve for Encumbrances, December 31	<u>\$323</u>	<u>\$149</u>	<u>\$472</u>

*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 - ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Proprietary Fund Type Enterprise</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$120,916
Total Operating Cash Receipts	<u>120,916</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	10,677
Employee Fringe Benefits	2,075
Contractual Services	29,213
Supplies and Materials	9,101
Total Operating Cash Disbursements	<u>51,066</u>
Operating Income/(Loss)	69,850
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	776
Redemption of Principal	46,868
Interest and Other Fiscal Charges	8,248
Total Non-Operating Cash Disbursements	<u>55,892</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	13,958
Transfers-In	55,300
Transfers-Out	<u>(55,300)</u>
Net Receipts Over/(Under) Disbursements	13,958
Fund Cash Balances, January 1	<u>48,564</u>
Fund Cash Balances, December 31	<u><u>\$62,522</u></u>
Reserve for Encumbrances, December 31	<u><u>\$194</u></u>

*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  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$10,584	\$1,451	\$12,035
Municipal Income Tax	27,286		27,286
Intergovernmental	17,116	13,599	30,715
Fines, Licenses and Permits	211		211
Earnings on Investments	368	355	723
Miscellaneous	745		745
Total Cash Receipts	<u>56,310</u>	<u>15,405</u>	<u>71,715</u>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	4,470		4,470
Public Health Services	690		690
Leisure Time Activities	4,148		4,148
Community Environment	275		275
Transportation		13,382	13,382
General Government	43,127		43,127
Total Cash Disbursements	<u>52,710</u>	<u>13,382</u>	<u>66,092</u>
Total Receipts Over/(Under) Disbursements	3,600	2,023	5,623
<b>Other Financing Receipts / (Disbursements):</b>			
Transfers-Out	(1,500)		(1,500)
Other Financing Sources	548	534	1,082
Other Financing Uses		(1,082)	(1,082)
Total Other Financing Receipts / (Disbursements)	<u>(952)</u>	<u>(548)</u>	<u>(1,500)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,648	1,475	4,123
Fund Cash Balances, January 1	<u>23,279</u>	<u>38,027</u>	<u>61,306</u>
Fund Cash Balances, December 31	<u>\$25,927</u>	<u>\$39,502</u>	<u>\$65,429</u>
Reserve for Encumbrances, December 31	<u>\$527</u>	<u>\$1,776</u>	<u>\$2,303</u>

*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 - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$122,211		\$122,211
Total Operating Cash Receipts	<u>122,211</u>		<u>122,211</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	12,251		12,251
Employee Fringe Benefits	2,476		2,476
Contractual Services	72,584		72,584
Supplies and Materials	7,772		7,772
Total Operating Cash Disbursements	<u>95,083</u>		<u>95,083</u>
Operating Income/(Loss)	27,128		27,128
<b>Non-Operating Cash Receipts:</b>			
Miscellaneous	4,231		4,231
Total Non-Operating Cash Receipts	<u>4,231</u>		<u>4,231</u>
<b>Non-Operating Cash Disbursements:</b>			
Capital Outlay	377		377
Redemption of Principal	46,099		46,099
Interest and Other Fiscal Charges	9,017		9,017
Total Non-Operating Cash Disbursements	<u>55,493</u>		<u>55,493</u>
Excess of Receipts Over/(Under) Disbursements	(24,134)		(24,134)
<b>Other Financing Receipts / (Disbursements):</b>			
Transfers-In	75,130		75,130
Transfers-Out	(54,800)	(\$18,830)	(73,630)
Total Other Financing Receipts / (Disbursements)	<u>20,330</u>	<u>(18,830)</u>	<u>1,500</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,804)	(18,830)	(22,634)
Fund Cash Balances, January 1	<u>52,368</u>	<u>18,830</u>	<u>71,198</u>
Fund Cash Balances, December 31	<u><u>\$48,564</u></u>	<u><u>\$0</u></u>	<u><u>\$48,564</u></u>
Reserve for Encumbrances, December 31	<u><u>\$2,404</u></u>	<u><u>\$0</u></u>	<u><u>\$2,404</u></u>

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, 2010 AND 2009**

**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, park operations, and street maintenance, construction, 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. (See Note 9)

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. Deposits and Investments**

The Village maintains all of its funds in an interest-bearing checking account.

**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:

**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.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**3. 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 6. 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 6. A utility surcharge recorded in this fund will repay this loan.

**4. Agency Fund**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for guaranteed payment to the Village of 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.

**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. 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 Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

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

**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 DEPOSITS AND INVESTMENTS**

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>2010</b>	<b>2009</b>
Demand deposits	\$140,554	\$113,993

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation (FDIC), and amounts over FDIC limits are collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

**2010 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 62,145	\$ 56,631	\$ (5,514)
Special Revenue	140,700	14,180	(126,520)
Enterprise	180,200	176,216	(3,984)
Total	\$383,045	\$247,027	(\$136,018)

**2010 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$55,347	\$48,331	\$7,016
Special Revenue	143,476	10,349	133,127
Enterprise	177,205	162,452	14,753
Total	\$376,028	\$221,132	\$154,896

**2009 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 80,400	\$ 56,858	\$(23,542)
Special Revenue	15,600	15,939	339
Enterprise	186,700	201,572	14,872
Total	\$282,700	\$274,369	\$(8,331)

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2009 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 71,206	\$ 54,737	\$ 16,469
Special Revenue	24,754	16,240	8,514
Enterprise	215,087	207,780	7,307
Total	\$311,047	\$278,757	\$32,290

**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. 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 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, 2010 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Ohio Public Works Commission Loan	\$262,485	0%
Water Pollution Control Loan Fund	185,707	4.12%
Tractor Lease with Kubota Credit Corporation	753	7.50%
Total	\$448,945	



**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**6. DEBT (Continued)**

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.

Additionally, in July 2007, the Village entered into a lease-purchase agreement with Kubota Credit Corporation for the lease of a mower valued at \$5,512. The Village agreed to make eight semi-annual payments of \$781, plus interest, over a five year period.

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

<u>Year ending December 31:</u>	<u>OPWC Loan</u>	<u>WPCLF Loan</u>	<u>Tractor Lease</u>	<u>Total</u>
2011	\$ 13,815	\$ 27,486	\$ 781	\$ 55,897
2012	27,630	27,486		55,116
2013	27,630	27,486		55,116
2014	27,630	27,486		55,116
2015	27,630	27,486		55,116
2016-2020	138,150	96,196		234,346
Total	<u>\$262,485</u>	<u>\$233,626</u>	<u>\$ 781</u>	<u>\$510,707</u>

**7. RETIREMENT SYSTEMS**

Effective July 1, 1991, all officials have an option to choose Social Security or the Ohio Public Employees Retirement System (OPERS). As of December 31, 2010, 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 OPERS. It 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 2010 and 2009, members of OPERS participants contributed 10 percent of their wages. The Village contributed an amount equal to 14 percent of their wages to OPERS for 2010 and 2009. The Village has paid all contributions required through December 31, 2010.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**9. JOINTLY GOVERNED ORGANIZATIONS**

The Village of Woodstock is associated with one jointly governed organization, the Northeast Champaign County Fire District. An appointed five member Board of Trustees directs the Fire District. Each political subdivision within the Fire District appoints one member. 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.



# Dave Yost • Auditor of State

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

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

To the Village Council:

We have audited the financial statements of Village of Woodstock, Champaign County (the Village), as of and for the year ended December 31, 2010 and 2009 and have issued our report thereon dated May 12, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 audit procedures for the purpose of expressing our opinion 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 did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 tests disclosed an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 12, 2011.

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

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

May 12, 2011

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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**FINDING NUMBER 2010-001**

**Material Non-Compliance**

**Ohio Rev. Code Section 5705.36(A)(4)** requires obtaining a reduced amended certificate of estimated resources if the amount of the deficiency in estimated resources will reduce available resources below the current level of appropriation.

During 2010 the following fund had actual receipts less than budgeted receipts and the deficiency resulted in actual resources to be less than appropriations:

<u>Year</u>	<u>Fund Name</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>
2010	Street Construction, Maint. & Repair	\$27,675	\$143,176	(\$115,501)

To help prevent deficit spending the Village should periodically compare estimated resources to actual resources to help identify which funds may not achieve estimated resource levels. The Village should then compare the current level of appropriation to actual resources to determine if they should obtain a reduced amended certificate of estimated resources and a corresponding reduction in appropriations.

**Official's Response:** We did not receive a response from officials to this finding.

**VILLAGE OF WOODSTOCK  
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR REPORT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Ohio Rev. Code Section 5705.10 – deficit fund cash balance in the General Fund and Parks and Recreation Fund.	Yes	



# 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  
JUNE 28, 2011