



Mary Taylor, CPA
Auditor of State

Village of Woodstock
Champaign County
Fiscal Emergency Termination

Local Government Services

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Village of Woodstock, Champaign County

Fiscal Emergency Termination

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 Village of Woodstock Financial Forecast
 For the Years Ending December 31, 2010, through December 31, 2014

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Mary Taylor, CPA

Auditor of State

CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of the Village of Woodstock, the Auditor of State performed an analysis of the Village of Woodstock to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies that the Village of Woodstock no longer meets the fiscal emergency conditions set forth in section 118.27(A)(1), (2), (3), and (4) of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the Village of Woodstock and its role in the operation of the Village of Woodstock is terminated as of June 29, 2010.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Jacquelyn Hayes, Mayor of the Village of Woodstock; Phillip Garland, President Pro-Tempore of Village Council; Ted Strickland, Governor; J. Pari Sabety, Director of the Office of Budget and Management; Kevin Boyce, Treasurer of State; Jennifer Brunner, Secretary of State; and Karen Bailey, Champaign County Auditor.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 29, 2010

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Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Report on the Termination of the Woodstock Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission (the Commission) of the Village of Woodstock, Champaign County, Ohio, as provided by section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to section 118.04 of the Revised Code, and no new emergency conditions have occurred...; (3) met the objectives of the financial plan described in section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under section 118.27(A) of the Revised Code are as follows:

Pages four through seven of the report indicate that the Village has effectively implemented a financial accounting and reporting system in accordance with section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under section 118.04 of the Revised Code. This analysis can be found beginning on page seven.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with section 118.06 of the Revised Code. Specific conclusions can be found on page eleven.

We examined and issued a non-adverse report on the five-year forecast prepared by the Village. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of Woodstock, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of Woodstock, and others as designated by the Auditor of State, and is not to be used for any other purpose. Our procedures and findings follow.

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System

When a Village is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Village's financial accounting and reporting system. The Auditor of State, in accordance with section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Village of Woodstock (the Village) and issued a Report on Accounting Methods, dated October 9, 2008. The report identified areas where the Village's financial accounting and reporting system were not in compliance with section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report of Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct these issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Receipt Transactions

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer keeps receipts in a locked filing cabinet that is accessible to the Village Administrator and the Maintenance Employee. Access should be limited to the Fiscal Officer and the Mayor.

Implemented

The Fiscal Officer keeps receipts in a lock box in a locked filing cabinet that is accessible to only the Fiscal Officer and the Mayor.

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer keeps unopened utility payments in a locked filing cabinet until they are recorded and deposited. Envelopes should be opened immediately and deposited in a timely manner.

Implemented

The Fiscal Officer opens utility payments as they are received. They are recorded and deposited on that date.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System (continued)

Auditor of State Comment from Report on Accounting Methods

Deposits are not made timely. Section 9.38 of the Revised Code requires the deposit of all public monies the next business day next following the day of receipt or, if the amount is less than \$1,000, the legislative authority may adopt a policy permitting a different time period, not to exceed three business days next following the day of receipt for making such deposits. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

Implemented

Deposits are made in accordance with the Revised Code, on the date receipts are opened and they are recorded in the accounting system. The Village has not passed any legislation to allow for extended time to make deposits.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods

A copy of the purchase order should be sent to every vendor, as requested.

Implemented

The Fiscal Officer sends a copy of the purchase order if requested by the vendor.

Auditor of State Comment from Report on Accounting Methods

The Village does not require new vendors to submit information before a purchase order is completed. The Village should not issue purchase orders to a vendor until all appropriate information about the vendor is received, including an IRS Form W-9.

Implemented

Upon receipt of a purchase order request with a new vendor, the Fiscal Officer sends a W-9 form to obtain the required information. Purchase orders are not issued until the W-9 is returned.

Auditor of State Comment from Report on Accounting Methods

The Village does not use the Auditor of State Findings for Recovery Database when entering into contracts. Section 9.24 of the Revised Code prohibits any State agency or political subdivision from awarding a contract for goods, services, or construction, paid for in whole or in part with State funds, to any person against whom a finding for recovery has been issued by the Auditor of State if that finding is unresolved.

Implemented

Management is aware of the requirement that contracts over \$25,000 will include verification. To date, the Village has not entered into any contracts that require verification of any unresolved finding for recovery by use of the Auditor of State Findings for Recovery Database.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System (continued)

Cash Disbursements

Auditor of State Comment from Report on Accounting Methods

Checks which are awaiting the Mayor's signature as well as unused checks are not properly secured. Unused checks must be maintained in a secure location with access limited to the Fiscal Officer. Checks awaiting the Mayor's signature must be maintained in a secure location with access limited to the Fiscal Officer and Mayor.

Implemented

The Fiscal Officer holds checks awaiting the Mayor's signature, along with unused checks, in a lock box in a locked filing cabinet that is accessible to only the Fiscal Officer and the Mayor.

Payroll Processing

Auditor of State Comment from Report on Accounting Methods

Checks which are awaiting the Mayor's signature are not properly secured. These checks must be maintained in a secure location with access limited to the Fiscal Officer and Mayor.

Implemented

The Fiscal Officer holds checks awaiting the Mayor's signature in a lock box in a locked filing cabinet that is accessible to only the Fiscal Officer and the Mayor.

Inventory of Capital Assets

Auditor of State Comment from Report on Accounting Methods

The Village does not maintain an inventory of capital assets. Without an inventory of capital assets, the Village is unable to determine if there is adequate insurance coverage, whether assets have been lost or stolen, whether idle assets exist that can be sold to generate additional revenue, and whether assets are used in the most efficient manner. The Village should adopt policies and procedures regarding capital assets. The Village should develop an inventory of all capital assets and update it annually.

Implemented

The Village has developed policies and procedures to account for capital assets and developing an inventory of capital assets.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 1 - Financial Accounting and Reporting System (continued)

Recording Official Proceedings

Auditor of State Comment from Report on Accounting Methods

The Village has not established a records commission as required by section 149.39 of the Revised Code.

Implemented

The Village established a Public Records Policy and established a commission on December 8, 2008.

Audit Report and Management Letters

The Village Council and Officials receive a compliance and management letter at the conclusion of each bi-annual audit. The letters that accompanied the December 31, 2007, and 2008 audit included several noncompliance issues and recommendations. The noncompliance issues included deficit fund balances and appropriations exceeding estimated resources as well as no capital asset inventory or policy. The Village has developed capital asset policies and procedures and will prepare an inventory of capital assets. The other noncompliance issues have been corrected. The recommendations included maintaining original documentation and proper support for all expenditures, misclassification of receipts, and establishment of an equipment/vehicle policy. The Village is considering the equipment/vehicle policy and the other issues have been corrected.

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions

Under Section 118.27(A)(2) of the Ohio Revised Code, the Village shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and that no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

Condition One - Default on Any Debt Obligation

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

A summary of the Village's outstanding debt as of January 31, 2010, is as follows:

<u>Debt Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>
<u>Loans Payable</u>			
OWDA Sewer Plant Expansion	1/1/99	4.12%	\$372,005
OPWC Sewage Collection, Treatment, and Disposal	1/15/97	0.00	552,618

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions (continued)

We reviewed the outstanding indebtedness as of January 31, 2010. The Village has \$495,068 in outstanding debt at January 31, 2010, and has made all debt payments due as of that date.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(1) of the Revised Code as of January 31, 2010. The Village has not defaulted on any debt obligations.

Condition Two - Payment of All Payroll

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by law, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

We reviewed the payroll records of the Village as of January 31, 2010. We reviewed council minutes, ordinances, resolutions, and had discussions with the Fiscal Officer to determine the employees of the Village, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the cash journal and cancelled checks to determine whether Village employees had been paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and there was sufficient fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(2) of the Revised Code as of January 31, 2010. All employees have been paid in amounts and at the times required by ordinance.

Condition Three - Increase in Minimum Tax Levy

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Champaign County Budget Commission whether there had been an increase, pursuant to division (D) of section 5705.31 of the Revised Code, in the minimum levy of the Village for 2008 or 2009, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Champaign County Budget Commission indicated that the Commission had not taken any action for tax year 2008 or 2009 to increase the inside millage of the Village.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions (continued)

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(3) of the Revised Code as of January 31, 2010. There has been no change in the minimum levy for the Village.

Condition Four - Past Due Accounts Payable from the General Fund and all Funds

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that had either been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

We prepared a schedule of accounts payable as of December 31, 2009, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2009, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(4) of the Revised Code as of December 31, 2009. There were no payables over thirty days past due.

Condition Five - Deficit Fund Balances

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2009, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions (continued)

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2009.

Condition Six - Treasury Balances

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Village's reconciled bank balance to its statement of cash position for all funds as of December 31, 2009, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all cash balances.

Schedule I

Treasury Balance
Ohio Revised Code Section 118.03(A)(6)
As of December 31, 2009

	<u>Amounts at December 31, 2009</u>
Bank Cash Balance Champaign Bank	\$123,051
Less Reconciling Factors for Outstanding Checks	<u>(9,058)</u>
Total Treasury Balance	<u>113,993</u> (continued)

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions (continued)

Schedule I

Treasury Balance
Ohio Revised Code Section 118.03(A)(6)
As of December 31, 2009
(continued)

	<u>Amounts at December 31, 2009</u>
Positive Fund Balances	
General	\$25,927
Street Maintenance	15,929
State Highway	2,513
Auto Permissive	21,061
Wastewater Operating	39,718
OWDA Debt Service	8,037
OPWC Debt Service	808
Total Positive Fund Balances	<u>113,993</u>
Treasury Deficiency	<u>\$0</u>

Conclusion: A fiscal emergency condition does not exist under section 118.03(A)(6) of the Revised Code as of December 31, 2009. The treasury balance less the positive fund cash balances as of December 31, 2009, did not exceed one-sixth of the treasury receipts for the year.

Section 3 - Financial Plan Objectives

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

Village of Woodstock, Champaign County

Report on the Termination of the Village of Woodstock
Financial Planning and Supervision Commission

Section 4 - Financial Forecast

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under section 118.27(A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

**Village of Woodstock
Champaign County**

Financial Forecast

For the Years Ending December 31, 2010, Through December 31, 2014

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Village of Woodstock, Champaign County

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Mary Taylor, CPA
Auditor of State

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

Based upon the requirement set forth in section 118.27(A)(4) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statements of revenues, expenditures/expenses, and changes in fund balance of the various funds of the Village of Woodstock for the five years ending December 31, 2014. These statements are presented on the budget basis of accounting used by the Village of Woodstock rather than on generally accepted accounting principles. The Village of Woodstock's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the Village of Woodstock and the Financial Planning and Supervision Commission of Woodstock and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 29, 2010

Local Government Services Section
88 E. Broad St. / Sixth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4717 (800) 345-2519 Fax: (614) 728-8027
www.auditor.state.oh.us

Village of Woodstock, Champaign County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2007, through 2009, Actual
and Ending December 31, 2010, through 2014, Forecasted

General Fund				
	2007	2008	2009	2010
	Actual	Actual	Actual	Forecasted
<u>Revenues</u>				
Property Taxes	\$10,600	\$10,300	\$10,300	\$7,400
Income Taxes	20,100	32,000	27,300	27,300
Intergovernmental	19,400	19,700	17,400	16,600
Licenses and Permits	35	300	200	200
Interest	200	700	400	100
Other Revenues	1,000	100	1,300	200
Total Revenues	51,335	63,100	56,900	51,800
<u>Expenditures</u>				
Security of Persons and Property				
Street Lighting				
Contractual Services	4,000	4,200	4,500	4,700
Public Health				
Contractual Services	600	600	700	400
Leisure Time Activities				
Parks				
Personal Services	800	1,500	1,600	1,700
Fringe Benefits	200	300	300	300
Contractual Services	900	700	1,000	1,100
Supplies and Materials	400	500	400	500
Capital Outlay	400	800	800	800
Total Leisure Time Activities	2,700	3,800	4,100	4,400
Community Environment				
Zoning				
Contractual Services	200	300	300	300
General Government				
Mayor				
Personal Services	1,600	1,700	1,700	1,700
Fringe Benefits	300	300	300	300
Contractual Services	0	300	0	200
Total Mayor	1,900	2,300	2,000	2,200

2011 Forecasted	2012 Forecasted	2013 Forecasted	2014 Forecasted
\$3,200	\$3,200	\$3,200	\$3,200
28,100	28,900	29,900	30,700
16,000	15,900	15,800	15,800
200	200	200	200
100	100	100	100
200	300	300	300
47,800	48,600	49,500	50,300
4,900	5,200	5,400	5,700
200	200	200	200
1,700	1,800	1,800	1,900
300	300	300	300
1,100	1,100	1,200	1,200
600	600	600	600
400	0	0	0
4,100	3,800	3,900	4,000
300	300	300	300
1,700	1,700	1,700	1,700
300	300	300	300
200	200	200	200
2,200	2,200	2,200	2,200

(continued)

Village of Woodstock, Champaign County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2007, through 2009, Actual
and Ending December 31, 2010, through 2014, Forecasted
(continued)

General Fund				
	2007	2008	2009	2010
	Actual	Actual	Actual	Forecasted
Council				
Personal Services	\$2,300	\$2,400	\$2,200	\$2,900
Fringe Benefits	600	600	300	400
Contractual Services	200	200	100	300
	<hr/>	<hr/>	<hr/>	<hr/>
Total Council	3,100	3,200	2,600	3,600
Fiscal Officer				
Personal Services	4,400	4,700	4,900	5,200
Fringe Benefits	1,300	1,200	1,000	1,100
Contractual Services	800	1,600	1,300	1,600
Supplies and Materials	400	400	500	500
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fiscal Officer	6,900	7,900	7,700	8,400
Lands/Buildings				
Personal Services	1,600	1,600	1,000	1,000
Fringe Benefits	400	400	200	200
Contractual Services	3,800	4,100	4,100	4,400
Supplies and Materials	1,100	400	300	600
Capital Outlay	0	0	14,500	8,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total Lands/Buildings	6,900	6,500	20,100	14,700
Tax Collection Fees				
Contractual Services	400	800	700	600
	<hr/>	<hr/>	<hr/>	<hr/>
State Auditor Fees				
Contractual Services	6,400	0	5,500	0
	<hr/>	<hr/>	<hr/>	<hr/>
Solicitor				
Contractual Services	600	1,100	700	700
	<hr/>	<hr/>	<hr/>	<hr/>
Income Tax Administration				
Contractual Services	600	1,500	1,500	1,500
	<hr/>	<hr/>	<hr/>	<hr/>
Other General Government				
Personal Services	1,400	800	200	200
Fringe Benefits	400	300	17	30
Contractual Services	2,200	1,100	1,160	800
Supplies and Materials	1,300	1,000	1,200	1,700
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other General Government	5,300	3,200	2,577	2,730
Total General Government	<hr/>	<hr/>	<hr/>	<hr/>
	32,100	26,500	43,377	34,430
Total Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	39,600	35,400	52,977	44,230

2011 Forecasted	2012 Forecasted	2013 Forecasted	2014 Forecasted
\$2,900	\$2,900	\$2,900	\$2,900
400	400	400	400
300	300	300	300
<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>
5,300	5,500	5,700	5,800
1,200	1,200	1,200	1,300
1,600	1,600	1,600	1,600
500	600	600	600
<u>8,600</u>	<u>8,900</u>	<u>9,100</u>	<u>9,300</u>
1,000	1,000	1,100	1,100
200	200	200	200
4,500	4,700	4,800	5,000
600	600	600	700
0	0	0	0
<u>6,300</u>	<u>6,500</u>	<u>6,700</u>	<u>7,000</u>
<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>
<u>6,000</u>	<u>0</u>	<u>6,600</u>	<u>0</u>
<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>
<u>1,500</u>	<u>1,500</u>	<u>1,600</u>	<u>1,600</u>
200	200	200	200
30	30	30	30
800	800	800	800
1,700	1,800	1,900	1,900
<u>2,730</u>	<u>2,830</u>	<u>2,930</u>	<u>2,930</u>
<u>32,230</u>	<u>26,830</u>	<u>34,030</u>	<u>27,930</u>
<u>41,730</u>	<u>36,330</u>	<u>43,830</u>	<u>38,130</u>

(continued)

Village of Woodstock, Champaign County
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2007, through 2009, Actual
and Ending December 31, 2010, through 2014, Forecasted
(continued)

	General Fund			
	2007	2008	2009	2010
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecasted</u>
Excess of Revenues Over Expenditures	11,735	27,700	3,923	7,570
<u>Other Financing Uses</u>				
Transfers Out	<u>0</u>	<u>(9,100)</u>	<u>(1,500)</u>	<u>0</u>
Changes in Fund Balance	11,735	18,600	2,423	7,570
Fund Balance (Deficit) Beginning of Year	<u>(6,800)</u>	<u>4,935</u>	<u>23,535</u>	<u>25,958</u>
Fund Balance End of Year	<u><u>\$4,935</u></u>	<u><u>\$23,535</u></u>	<u><u>\$25,958</u></u>	<u><u>\$33,528</u></u>

2011 Forecasted	2012 Forecasted	2013 Forecasted	2014 Forecasted
6,070	12,270	5,670	12,170
<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,880)</u>
6,070	12,270	5,670	3,290
<u>33,528</u>	<u>39,598</u>	<u>51,868</u>	<u>57,538</u>
<u><u>\$39,598</u></u>	<u><u>\$51,868</u></u>	<u><u>\$57,538</u></u>	<u><u>\$60,828</u></u>

Village of Woodstock, Champaign County
Statement of Revenues, Expenses, and Changes in Fund Balance - Budget Basis
For the Years Ended December 31, 2007, through 2009, Actual
and Ending December 31, 2010, through 2014, Forecasted

Wastewater Operating Fund				
	2007 Actual	2008 Actual	2009 Actual	2010 Forecasted
<u>Revenues</u>				
Charges for Services	\$47,700	\$48,300	\$122,200	\$124,700
Other Revenues	23,900	0	4,200	0
Total Revenues	71,600	48,300	126,400	124,700
<u>Expenses</u>				
<u>Office</u>				
Personal Services	400	700	400	500
Fringe Benefits	200	100	100	100
Total Office	600	800	500	600
<u>Billing</u>				
Personal Services	1,500	1,500	1,600	1,400
Fringe Benefits	800	800	700	700
Contractual Services	9,600	5,100	10,700	5,100
Supplies and Materials	500	500	600	600
Total Billing	12,400	7,900	13,600	7,800
<u>Other</u>				
Personal Services	8,200	10,600	10,200	11,000
Fringe Benefits	1,600	2,100	1,600	1,800
Contractual Services	2,900	13,400	61,900	27,500
Supplies and Materials	8,600	11,800	7,200	10,100
Capital Outlay	200	400	400	400
Total Other	21,500	38,300	81,300	50,800
Total Expenses	34,500	47,000	95,400	59,200
Operating Income	37,100	1,300	31,000	65,500
<u>Other Financing Sources (Uses)</u>				
Transfers In	23,000	0	20,300	0
Transfers Out	0	0	(54,800)	(55,100)
Total Other Financing Sources (Uses)	23,000	0	(34,500)	(55,100)
Changes in Fund Balance	60,100	1,300	(3,500)	10,400
Fund Balance (Deficit) Beginning of Year	(18,300)	41,800	43,100	39,600
Fund Balance End of Year	\$41,800	\$43,100	\$39,600	\$50,000

2011 Forecasted	2012 Forecasted	2013 Forecasted	2014 Forecasted
\$127,400	\$130,200	\$133,100	\$136,000
0	0	0	0
<u>127,400</u>	<u>130,200</u>	<u>133,100</u>	<u>136,000</u>
500	500	500	500
100	100	100	100
<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>
1,400	1,500	1,500	1,500
700	700	800	800
8,300	5,200	8,600	5,200
600	600	700	700
<u>11,000</u>	<u>8,000</u>	<u>11,600</u>	<u>8,200</u>
11,300	11,700	12,000	12,400
1,900	1,900	2,000	2,100
28,300	29,100	30,000	30,900
10,200	10,300	10,300	10,400
200	0	0	0
<u>51,900</u>	<u>53,000</u>	<u>54,300</u>	<u>55,800</u>
<u>63,500</u>	<u>61,600</u>	<u>66,500</u>	<u>64,600</u>
<u>63,900</u>	<u>68,600</u>	<u>66,600</u>	<u>71,400</u>
0	0	0	0
<u>(55,100)</u>	<u>(55,100)</u>	<u>(55,100)</u>	<u>(55,100)</u>
<u>(55,100)</u>	<u>(55,100)</u>	<u>(55,100)</u>	<u>(55,100)</u>
8,800	13,500	11,500	16,300
<u>50,000</u>	<u>58,800</u>	<u>72,300</u>	<u>83,800</u>
<u>\$58,800</u>	<u>\$72,300</u>	<u>\$83,800</u>	<u>\$100,100</u>

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 1 - The Village

The Village of Woodstock is located in west central Ohio in Champaign County. The Village 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. Operating as a statutory village, Woodstock must comply with all State laws regulating village government. The decision making process is directed by an elected Village Council and Mayor. The Village Council is the legislative authority of the Village and consists of six members who are elected at large and serve terms of four years. The Mayor is the chief executive officer of the Village and serves a term of four years.

On July 20, 2006, the Auditor of State's Office declared the Village of Woodstock to be in a state of fiscal emergency in accordance with section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor, President Pro Tempore of Village Council, three individuals whose residency or principal place of business is within the Village, and a designee from both the State Treasurer's Office and the Office of Budget and Management. This Commission is required to adopt a financial recovery plan for the Village. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

The Village of Woodstock provides services including street maintenance and repair, maintenance of state highways within the Village, street lighting, and wastewater treatment. The Village does not have its own wastewater treatment plant but contracts with the Village of North Lewisburg for wastewater treatment. The Village does however establish its own sewer rates. The operation of each of these activities is directly controlled by the Village Council through the budgetary process. The administration consists of the Mayor and management consists of the Village Administrator.

Note 2 - Nature of Presentation

This financial forecast presents, to the best of the Village's knowledge and belief, the expected revenues, expenditures/expenses, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of June 14, 2010, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Village. These funds include the General Fund and Wastewater Operating Fund.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 3 - Summary of Significant Accounting Policies

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. Fund Accounting

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The general fund is the operating fund of the Village and is used to account for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to disbursements for specified purposes.

Proprietary Funds

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Wastewater Operating Fund - This fund accounts for the provision of wastewater treatment services to residential and commercial users within the Village.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 3 - Summary of Significant Accounting Policies (continued)

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the Champaign County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the succeeding year.

Estimated Resources - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Village, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriation for the full year is not ready for approval by Village Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the Village Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

D. Property, Plant and Equipment

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

Note 4 - General Revenue Assumptions - All Funds

A. Property Taxes

Property tax revenues consist of real property and public utility real and personal property. Tangible personal property taxes have been eliminated; however, amounts are included in the historical periods through 2009. Property taxes are collected for, and distributed to, the Village by the Champaign County Auditor and Treasurer. Property taxes are levied in one year (the tax year) and collected in the following year (the collection year). The Village may request advances from the Champaign County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Village are paid. Deductions for auditor and treasurer fees, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues. The Village uses property tax levies to finance General Fund activities.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the Village for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account "intergovernmental revenue".

Village of Woodstock, Champaign County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2010, through 2014

Note 4 - General Revenue Assumptions - All Funds (continued)

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2007 for taxes collected in 2008. The next triennial update will take place in 2010 for taxes collected in 2011. The Village's assessed values upon which property tax receipts were based for the last four years are as follows:

Class of Property	2007	2008	2009	2010
Real Property				
Residential and Agriculture	\$2,416,390	\$2,976,910	\$2,940,160	3,004,990
Commercial and Industrial	47,570	47,060	47,060	47,060
Public Utility Personal Property	84,830	91,780	76,520	75,790
Tangible Personal Property	23,690	14,840	0	0
Total Assessed Value	<u>\$2,572,480</u>	<u>\$3,130,590</u>	<u>\$3,063,740</u>	<u>\$3,127,840</u>

The property tax revenues are generated from several levies. The levy type, the fund in which the proceeds are received, the original year approved, the latest renewal year, the first and last year of collection, and the full tax rate are as follows:

Levy Type	Fund	Original Year Approved	Latest Year Renewed	First Year of Collection	Last Year of Collection	Total Rate (Per \$1,000 of Assessed Valuation)
Inside Millage	General	n/a	n/a	n/a	n/a	\$1.20
Operating	General	1989	2004	1989	2009	3.70
Operating	General	2005	n/a	2005	2010	1.90
Total						<u>\$6.80</u>

The 1989 general operating levy and the 2005 general operating levy were not renewed by the voters. The levies generated \$4,300 and \$4,100, per year including state property tax credits, respectively.

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to voted levies so that each levy yields the same amount of real property tax revenues on carryover property as in the prior year. For all voted levies, except debt levies, increases in revenues are restricted to amounts generated from new construction. The revenue generated by debt levies is not affected by changes in real property valuation. The reduction factors are computed annually and applied separately for residential and agricultural real property and for commercial and industrial real property. Reduction factors are not applied to inside millage (an unvoted levy) or public utility personal property levy rates.

Village of Woodstock, Champaign County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2010, through 2014

Note 4 - General Revenue Assumptions - All Funds (continued)

The effective residential and agricultural real property tax rates and the effective commercial and industrial real property tax rates for the last four years are as follows:

Levy Type	Full Tax Rate	Effective Rates for Collection Years							
		Residential and Agricultural				Commercial and Industrial			
		2007	2008	2009	2010	2007	2008	2009	2010
Inside Millage									
General Operating	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000
Outside Millage									
General Operating	3.7000	1.4420	1.1545	1.1659	0.0000	1.7049	1.4705	1.4705	0.0000
General Operating	1.9000	1.9000	1.5212	1.5361	1.5264	1.9000	1.6388	1.6388	1.6388
Total	<u>\$6.8000</u>	<u>\$3.5420</u>	<u>\$3.8757</u>	<u>\$3.9020</u>	<u>\$2.7640</u>	<u>\$4.8049</u>	<u>\$4.3093</u>	<u>\$4.3093</u>	<u>\$2.8388</u>

Public utility real and personal property taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes will be levied or collected after calendar year 2010 on local and inter-exchange telephone companies. The State of Ohio reimburses the Village for the loss of tangible personal property taxes as a result of these changes within certain limitations.

Real Property - Real property taxes decreased slightly in 2009 and are forecasted to decrease further due to the loss of the 1989 operating levy, beginning in 2010, and the loss of the 2005 operating levy, beginning in 2011. In addition to the decrease due to the loss of tax levies, a 2 percent decrease is projected within the General Fund for the triennial update in 2010, based on information obtained from the County Auditor.

Tangible Personal Property - Tangible personal property taxes have had a number of changes in the past several years. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Effective for tax years 2005 and 2006, the assessment rate on inventory was to be reduced by 2 percent if the total statewide collections of personal property taxes for the second preceding year exceeded the total statewide collections of property taxes for the third preceding year. Effective for tax years 2007 and beyond, the assessment rate for inventory was to be reduced by 2 percent per year until completely phased out, regardless of the growth in collections.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 4 - General Revenue Assumptions - All Funds (continued)

Beginning in 2006, House Bill 66 will phase out, by 25 percent each year, tangible personal property tax on most businesses' inventory, manufacturing machinery and equipment, and furniture and fixtures. This change supersedes the changes and phase-out periods addressed above. No tangible personal property taxes will be levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). The State of Ohio will reimburse the Village for the loss of tangible personal property taxes as a result of the changes in House Bill 66 within certain limitations (see Intergovernmental Revenues below). Taxes for telephone property will be collected until 2010.

B. Municipal Income Taxes

The Village levies a municipal income tax of 1 percent on all income earned within the Village as well as on income of residents earned outside the Village. The Village does not allow a credit for income taxes paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually.

All income tax revenue is credited to the general fund and used to pay the cost of administering the tax and for general governmental operations. Income tax revenues are expected to stay the same in 2010 as in 2009 due to current economic conditions; however, an increase of 3 percent annually from 2011 through 2014 is expected based on an increase in business and individual earnings. Due to geographic limitations, no growth is expected in the Village.

C. Intergovernmental Revenues

Intergovernmental revenues include local government monies and property tax allocations for rollback, homestead, and tangible personal property. The local government funds are distributed monthly by the State to the Village and by the County Auditor to the Village. The property tax allocations for rollback, homestead, and tangible personal property are received from the State and are based on information provided by the County Auditor.

Beginning in 2006, the State reimbursed the Village for lost revenue due to the phase-out of tangible personal property tax. In the first five years, the Village will be fully reimbursed relative to prior law for revenue lost due to the taxable value reductions prescribed by House Bill 66. Over the next seven years, the reimbursements are phased-out. The reimbursement will be made for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the Village is only reimbursed for the difference between the amounts that would have been received under the prior law and amounts actually received as the phase-outs in House Bill 66 are implemented.

State law grants tax relief in the form of a 10 percent reduction in real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Village for the loss of real property taxes caused by the homestead and rollback tax relief programs.

Village of Woodstock, Champaign County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2010, through 2014

Note 4 - General Revenue Assumptions - All Funds (continued)

In tax collection year 2008, the State expanded the homestead exemption to allow eligible homeowners to shield the first \$25,000 in market value from taxation. This expanded amount will increase State allocation revenue and decrease property tax revenue by an equal amount.

In prior years, the State exempted the first \$10,000 in tangible personal property from taxation. The State reimbursed the Village for the lost revenue. In 2004, the State began to phase-out the reimbursement by 10 percent each year. Under House Bill 66, the phase-out period was accelerated.

Section 503.12(B) of House Bill 66 established a Task Force to study potential sources of State funding for the local government and the local government revenue assistance programs that have the capacity for growth and stability in the funding levels and that considers the changes to the Ohio tax code. In December 2006, the Task Force submitted a report to the Governor and to the General Assembly setting forth its recommendations. The State Budget bill for fiscal years 2008 and 2009 replaced the percentage of tax methodology with a percentage of tax receipts formula. In general, the formula proposes that the three local government funds at the State level receive a percentage of the general revenue fund tax receipts in total collected by the State. As part of the change, the Local Government Revenue Assistance program was eliminated. Revenue received from the local government program is expected to remain at the same level as has been received in prior years.

Revenue Source	Forecasted				
	2010	2011	2012	2013	2014
Local Government	\$15,100	\$15,100	\$15,100	\$15,100	\$15,100
Property Tax Allocation	1,500	900	800	700	700
Totals	\$16,600	\$16,000	\$15,900	\$15,800	\$15,800

Note 5 - Specific Fund Revenue Assumptions

A. General Fund

Licenses and Permits - Licenses and permits receipts represent zoning permits. The Village does not anticipate any growth; therefore, this revenue source is expected to remain constant.

Interest - Interest receipts are expected to decrease due to a decline in interest rates. No change is projected throughout the forecasted period due to the historically low rates.

Other Revenues - Other revenues are generally limited to renting space in the Village Hall for various functions. This is an unpredictable and immaterial revenue source.

B. Wastewater Operating

Charges for Services - In February 2009, the base rates increased 15 percent. Additional increases in the base rate are anticipated at 15 percent in 2010 and 4 percent in 2011 through 2014. Other components of the rate charge are not expected to change. As no growth is anticipated in the Village due to geographic limitations, no new accounts are expected.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 5 - Specific Fund Revenue Assumptions (continued)

There was a significant increase in charges for services in 2009 due to all charges for services being reflected in the operating fund. In prior years, a portion of the charges for services revenue was allocated to the debt service funds.

Other Revenues - Other revenues, in the form of a reimbursement was received in 2007 and from the sale of grinder pumps in 2009. No future revenue is anticipated.

Transfers In - In 2007 and 2009 transfers in consisted of resources received from the General Fund and Escrow Fund for payment of wastewater treatment fees to the Village of North Lewisburg. No future transfers are anticipated.

Note 6 - General Expenditure Assumptions - All Funds

A. Personal Services

Personal services include the salaries and wages paid to the employees and elected officials of the Village. The maintenance employee receives compensation on a bi-weekly basis, the Village Administrator and Fiscal Officer are paid monthly, and Mayor and Village Council are paid quarterly. Village Council, by ordinance, sets the salary or hourly rates and other forms of compensation, such as paid leave for employees.

Currently, Village Council consists of five members with an annual salary of \$480, per member. Village Council is paid from the General Fund.

The Mayor's current annual salary is \$1,660, the Village Administrator's current annual salary is \$900, and the Fiscal Officer's current annual salary is \$6,600. The Mayor is paid from the General Fund. The Village Administrator is paid 50 percent from the Street Maintenance Fund and 50 percent from the Wastewater Operating Fund. The Fiscal Officer is paid 79 percent from the General Fund and 21 percent from the Wastewater Operating Fund.

The Village employs one full-time employee whose payroll is split between the General Fund, the Street Maintenance Fund, the State Highway Fund, and the Wastewater Operating Fund based on actual hours worked.

The salaries and wages for the maintenance employee and the Fiscal Officer are anticipated to increase 3 percent per year. No increases are expected for the Mayor, the Village Administrator, or Village Council within the forecasted period.

B. Fringe Benefits

Fringe benefits include employer contributions to the State pension system, workers' compensation, social security, and Medicare.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 6 - General Expenditure Assumptions - All Funds (continued)

Most employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent of their annual salary and the Village is required to contribute 14 percent.

The Village participates in the Ohio Municipal League Equity Pooling Workers' Compensation Group Rating Program (Program), a group rating pool for workers' compensation. By participating in this pool, the Village is able to receive a discount on their worker's compensation premium.

C. Contractual Services

Contractual services include street lighting, property and liability insurance, utility charges (telephone, internet, electricity, fuel oil, and sewer), postage, printing, advertising, professional dues, legal fees, auditor and treasurer fees, accounting and auditing services, and wastewater treatment professional services.

For 2010 through 2014, property and liability insurance is anticipated to increase 5 percent annually based upon estimates provided by the insurance provider.

Increases in various utility costs are projected to increase between 3 percent and 5 percent based upon historical trends.

The Village contracts with North Lewisburg for wastewater treatment. In 2009, the Village was required to pay \$43,000 in past due fees withheld due to pending litigation. For 2010 through 2014, wastewater treatment costs are anticipated to increase 3 percent annually.

C. Materials and Supplies

Materials and supplies expenditures include office supplies, operating supplies (salt and gasoline), and repair and maintenance costs. Materials and supplies are anticipated to increase 3 percent per year due to inflation.

D. Capital Outlay

In 2009, the Village replaced the roof on the village hall at a cost of \$14,500. The Village plans to purchase a new heating and air conditioning unit for the village hall in 2010 at an approximate cost \$8,500. These costs will be paid from the General Fund.

Village of Woodstock, Champaign County
 Summary of Significant Accounting Policies and Forecast Assumptions
 For the Years Ending December 31, 2010, through 2014

Note 6 - General Expenditure Assumptions - All Funds (continued)

E. Debt Service

The original issue date, interest rate, original issue amount, and maturity date for the Village's long-term obligations as of December 31, 2009, were as follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Loans Payable				
OWDA Sewer Plant Expansion	1/1/1999	4.12%	\$372,005	1/1/2019
OPWC Sewer Collection, Treatment, and Disposal	1/15/1997	0.00	552,618	7/1/2020

OWDA Loan - The Village obtained a loan from Ohio Water Development Authority for expansion of the sewer plant. The loan is paid with transfers to the debt service fund from the Wastewater Operating fund.

OPWC Loan - The Village obtained an interest free loan from the Ohio Public Works Commission for improvements to the sewer collection system. The loan is paid with transfers to the debt service fund from the Wastewater Operating fund.

Principal and interest requirements to retire the Village's debt are:

Year	OWDA Loan		OPWC Loan	Total	
	Principal	Interest	Principal	Principal	Interest
2010	\$19,238	\$8,246	\$27,631	\$46,869	\$8,246
2011	20,038	7,446	27,631	47,669	7,446
2012	20,872	6,612	27,631	48,503	6,612
2013	21,741	5,743	27,631	49,372	5,743
2014	22,645	4,839	27,631	50,276	4,839
2015-2019	100,410	9,527	138,154	238,564	9,527
2020	0	0	13,815	13,815	0
	<u>\$204,944</u>	<u>\$42,413</u>	<u>\$290,124</u>	<u>\$495,068</u>	<u>\$42,413</u>

Note 7 - Transfers - All Funds

Transfers out from the General Fund include a transfer in 2008 to eliminate the deficit in the Park Fund, a transfer in 2009 to pay past due fees to North Lewisburg in the Wastewater Operating Fund, and a transfer in 2014 to subsidize operations in the Street Maintenance Fund. Transfers out from the Wastewater Operating Fund include principal and interest payments for 2010 through 2014, in the amount of \$55,100 annually.

Village of Woodstock, Champaign County
Summary of Significant Accounting Policies and Forecast Assumptions
For the Years Ending December 31, 2010, through 2014

Note 8 - Other Funds

The Village has numerous other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period. These funds include Street Maintenance and Repair, State Highway, Permissive MVL, and debt service funds.

Note 9 - Pending Litigation

The Village currently has no pending litigation.

Note 10 - Financial Planning and Supervision Commission

On July 20, 2006, the Village was declared to be in a state of “Fiscal Emergency” by the Auditor of State. Legislation effective September 1996 permitted this declaration due to the Village’s declining financial condition. In accordance with the law, a seven-member Financial Planning and Supervision Commission has been established to oversee the financial affairs of the Village. The Commission is comprised of the Mayor, President Pro Tempore of Village Council, a designee from both the State Treasurer’s Office and the Office of Budget and Management, and three appointed members. The appointments are made by the Governor of the State of Ohio and the Mayor of the Village of Woodstock. The Commission’s primary charge is to develop, adopt, and implement a financial recovery plan. Once the plan has been adopted, the Village Council’s discretion is limited in that all financial activity of the Village must in accordance with the plan. Based on this report, the operation of the Commission will be terminated.



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
JUNE 29, 2010