



Dave Yost • Auditor of State

WOODVILLE TOWNSHIP
SANDUSKY COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Woodville Township, Sandusky County, Ohio, (the Township) as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 to the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than

accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2015, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

May 28, 2015

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Property and Other Local Taxes	\$43,629	\$542,690		\$586,319
Licenses, Permits and Fees	5,060	9,360		14,420
Intergovernmental	46,842	259,995	\$91,475	398,312
Earnings on Investments	3,988	1		3,989
Miscellaneous	14,086	8,359		22,445
<i>Total Cash Receipts</i>	<u>113,605</u>	<u>820,405</u>	<u>91,475</u>	<u>1,025,485</u>
Cash Disbursements:				
Current:				
General Government	104,380	3,267		107,647
Public Safety		362,788		362,788
Public Works		276,313		276,313
Health	1,288	29,056		30,344
Capital Outlay		126,826	91,475	218,301
Debt Service:				
Principal Retirement		3,474		3,474
<i>Total Cash Disbursements</i>	<u>105,668</u>	<u>801,724</u>	<u>\$91,475</u>	<u>998,867</u>
<i>Excess of Receipts Over Disbursements</i>	<u>7,937</u>	<u>18,681</u>		<u>26,618</u>
Other Financing Receipts:				
Sale of Capital Assets		10,100		10,100
<i>Net Change in Fund Cash Balances</i>	7,937	28,781		36,718
<i>Fund Cash Balances, January 1</i>	<u>225,995</u>	<u>1,170,753</u>		<u>1,396,748</u>
Fund Cash Balances, December 31				
Restricted		1,199,534		1,199,534
Assigned	51,880			51,880
Unassigned	182,052			182,052
<i>Fund Cash Balances, December 31</i>	<u>\$233,932</u>	<u>\$1,199,534</u>		<u>\$1,433,466</u>

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$42,750	\$417,564	\$460,314
Licenses, Permits and Fees	4,910	10,470	15,380
Intergovernmental	23,965	200,516	224,481
Earnings on Investments	3,820	1	3,821
Miscellaneous	11,437	11,324	22,761
<i>Total Cash Receipts</i>	<u>86,882</u>	<u>639,875</u>	<u>726,757</u>
Cash Disbursements:			
Current:			
General Government	88,186		88,186
Public Safety		275,704	275,704
Public Works		132,655	132,655
Health	1,299	33,955	35,254
Capital Outlay	1,053	24,845	25,898
Debt Service:			
Principal Retirement		3,474	3,474
<i>Total Cash Disbursements</i>	<u>90,538</u>	<u>470,633</u>	<u>561,171</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,656)</u>	<u>169,242</u>	<u>165,586</u>
Other Financing Receipts:			
Sale of Capital Assets		2,000	2,000
<i>Net Change in Fund Cash Balances</i>	<u>(3,656)</u>	<u>171,242</u>	<u>167,586</u>
<i>Fund Cash Balances, January 1</i>	<u>229,651</u>	<u>999,511</u>	<u>1,229,162</u>
Fund Cash Balances, December 31			
Restricted		1,170,753	1,170,753
Assigned	67,669		67,669
Unassigned	158,326		158,326
<i>Fund Cash Balances, December 31</i>	<u>\$225,995</u>	<u>\$1,170,753</u>	<u>\$1,396,748</u>

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

1. Summary of significant accounting policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Woodville Township, Sandusky County, Ohio (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with North Central EMS, Milan, Ohio, to provide ambulance services.

The Township participates in a public entity risk pool and a jointly governed organization. Notes 7 and 9 to the financial statements provide additional information for these entities. These organizations are:

Public Entity Risk Pool:

Ohio Township Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

Jointly Governed Organization:

The Township has joined with Harris Township, Washington Township, and the Village of Elmore to form the Sugar Creek Joint Economic Development District (JEDD). The main purpose of the Sugar Creek JEDD is to develop a fire/EMS mutual aid agreement between the entities.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Fund Accounting

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

1. General Fund

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

1. Summary of significant accounting policies – (Continued)

2. Special Revenue Funds

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

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

EMS Fund - This fund receives property tax money to provide EMS services.

3. Capital Project Fund

This funds accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund in 2014:

Public Works Commission Project - The Township received a grant from the State of Ohio to repave a portion of Township Road 16 and Township Road 28.

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

1. Summary of significant accounting policies – (Continued)

E. Fund Balance

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

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

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

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

1. Summary of significant accounting policies – (Continued)

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. Equity in Pooled Deposits

The Township 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:

	2014	2013
Demand deposits	\$883,466	\$846,748
Certificates of deposit	550,000	550,000
Total deposits	\$1,433,466	\$1,396,748

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

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

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,003	\$113,605	\$16,602
Special Revenue	830,504	830,505	1
Capital Projects	91,475	91,475	
Total	\$1,018,982	\$1,035,585	\$16,603

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$150,000	\$105,668	\$44,332
Special Revenue	979,000	801,724	177,276
Capital Projects	116,380	91,475	24,905
Total	\$1,245,380	\$998,867	\$246,513

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

3. Budgetary Activity – (Continued)

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,703	\$86,882	\$179
Special Revenue	642,874	641,875	(999)
Total	\$729,577	\$728,757	(\$820)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$150,000	\$90,538	\$59,462
Special Revenue	854,150	470,633	383,517
Total	\$1,004,150	\$561,171	\$442,979

4. Property Tax

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

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

5. Debt

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission #CE38M	\$85,114	0%

On October 22, 2008, the Township entered into a loan agreement with the Ohio Public Works Commission for the Emch Ditch – Lateral No. 1 – Township Road 16 Project. The project was completed in 2009. The Township was awarded \$104,221 for this project by the Ohio Public Works Commission through a 30-year, 0% loan with semi-annual payments of \$1,737 due on January 31 and July 1 of each year. The debt will be retired on July 1, 2039.

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

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

5. Debt – (Continued)

Year ending December 31:	<u>OPWC Loan #CE38M</u>
2015	\$3,474
2016	3,474
2017	3,474
2018	3,474
2019	3,474
2020-2024	17,370
2025-2029	17,370
2030-2034	17,370
2035-2039	15,634
Total	<u><u>\$85,114</u></u>

6. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2014.

7. Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2013, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

7. Risk Management – (Continued)

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$10,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2014</u>	<u>2013</u>
\$17,234	\$17,970

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

8. Contingent Liabilities

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

9. Jointly Governed Organization

In 2008, the Sandusky County Economic Development Corporation (SCEDC) and the Ottawa County Community Improvement Corporation (OCCIC) pulled together officials from Harris, Washington, and Woodville Townships, the Village of Elmore, and Ottawa/Sandusky County Commissioners to prepare for a proposed industrial development site at State Route 51 and the Elmore Turnpike (I 80/90) Exchange.

The taskforce's mission is for all political parties to sign-off on a Joint Economic Development District (JEDD) agreement that will allow for the sharing of revenues and expenses connected to the proposed future industrial park development whose ultimate goal is creating new jobs.

The development of a JEDD is a long and complicated process, but over the past few years, the taskforce has accomplished the following items: (1) developed a name for the district "Sugar Creek JEDD" since Sugar Creek runs along the far northern edge of the site, (2) developed a JEDD agreement, and (3) developed a fire/EMS mutual aid agreement between the townships.

To assist with bringing infrastructure to the site, an "Ohio Job Ready Site" application was approved by the Ohio Department of Development. The taskforce is aware that the site is not shovel-ready. The Woodville Township Trustees adopted zoning rules and regulations for a Limited Industrial Planned Unit Development district (LIPUD) in Woodville Township which went into effect on October 30, 2009.

The JEDD contract was officially signed on May 29, 2014. It is currently under the direction of a JEDD board which consists of one individual from each of the three entities involved. They meet on a monthly basis and will develop their own by-laws.

The Township has no ongoing financial interest or financial responsibility, nor is it accumulating any significant financial resources or fiscal stress that would cause a significant financial benefit or burden at this time, or in our immediate future.



Dave Yost • Auditor of State

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Woodville Township, Sandusky County, Ohio (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2015 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

May 28, 2015

**WOODVILLE TOWNSHIP
SANDUSKY COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Material Weakness

Financial Reporting

The Township's management is responsible for the fair presentation of the financial statements. Errors were noted in the financial statements, resulting in the following audit adjustments:

- An \$11,065 reimbursement grant from Sandusky County was recorded as a reduction of expenditure rather than as an intergovernmental receipt in the general fund in 2014;
- A \$5,532 reimbursement for a portion of the siren from the Village of Woodville was recorded as a reduction of expenditure rather than as an intergovernmental receipt in the general fund 2014; and
- Subsequent year appropriations over estimated receipts within the general fund of \$51,880 were classified as unassigned fund balance rather than assigned in 2014.
- Budgeted expenditures recorded in the accounting system and budgetary footnote did not agree to the approved appropriation resolution for the OPWC fund in 2014 by \$24,905.

These errors were a result of inadequate policies and procedures in reviewing the financial statements. The accompanying financial statements have been adjusted to correct these errors. To ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the annual report by the Board of Trustees to identify and correct errors, omissions, and misclassifications.

Officials' Response:

We have acknowledged errors were made and will post these transactions correctly in the future. It is noted that this incorrect posting had no effect on the ending final balances. The adjustments that had to be made to receipts and disbursements offset each other. The Trustees acknowledge errors were made and will perform more detailed reviews on the final reports to identify and correct errors, omissions, and misclassifications.

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Dave Yost • Auditor of State

WOODVILLE TOWNSHIP

SANDUSKY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2015**