



Certified Public Accountants, A.C.

**VILLAGE OF GREEN CAMP
MARION COUNTY
Regular Audit
For the Years Ended December 31, 2017 and 2016**

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740 373 0056

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OHIO AUDITOR OF STATE KEITH FABER



Village Council
Village of Green Camp
PO Box 43
101 Columbus Street
Green Camp, OH 43322

We have reviewed the *Independent Auditor's Report* of the Village of Green Camp, Marion County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Green Camp is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 1, 2019

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VILLAGE OF GREEN CAMP
MARION COUNTY

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INDEPENDENT AUDITOR'S REPORT

January 23, 2019

Village of Green Camp
Marion County
PO Box 43
Green Camp, OH 43322

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Village of Green Camp**, Marion County, (the Village) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedures – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

*Ohio Society of CPAs * West Virginia Society of CPAs * Association of Certified Fraud Examiners * Association of Certified Anti-Money Laundering Specialists*

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2017 and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Green Camp, Marion County as of December 31, 2017 and 2016, and 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 2.

Emphasis of Matter

As disclosed in Note 1, on June 16, 2015, the Auditor of State declared the Village of Green Camp to be in a state of fiscal emergency, in accordance with Section 118.03 of the Ohio Revised Code. We did not modify our opinion regarding this issue.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2019, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF GREEN CAMP
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 41,316	\$ -	\$ 41,316
Intergovernmental	19,527	16,898	36,425
Fines, Licenses and Permits	578	-	578
Earnings on Investments	93	73	166
Miscellaneous	1,837	-	1,837
	<hr/>	<hr/>	<hr/>
<i>Total Cash Receipts</i>	63,351	16,971	80,322
Cash Disbursements			
Current:			
Security of Persons and Property	5,725	-	5,725
Public Health Services	1,874	-	1,874
Leisure Time Activities	49	-	49
Community Environment	387	-	387
Transportation	-	3,695	3,695
General Government	33,976	-	33,976
	<hr/>	<hr/>	<hr/>
<i>Total Cash Disbursements</i>	42,011	3,695	45,706
	<hr/>	<hr/>	<hr/>
<i>Excess of Receipts Over Disbursements</i>	21,340	13,276	34,616
Other Financing Disbursements			
Transfers Out	(26,500)	-	(26,500)
Other Financing Uses	(13)	-	(13)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Disbursements</i>	(26,513)	-	(26,513)
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Cash Balances</i>	(5,173)	13,276	8,103
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	78,844	70,835	149,679
Fund Cash Balances, December 31			
Restricted	-	84,111	84,111
Unassigned	73,671	-	73,671
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 73,671</u>	<u>\$ 84,111</u>	<u>\$ 157,782</u>

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

**VILLAGE OF GREEN CAMP
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 101,313
<i>Total Operating Cash Receipts</i>	101,313
Operating Cash Disbursements	
Contractual Services	72,184
<i>Total Operating Cash Disbursements</i>	72,184
<i>Operating Income</i>	29,129
Non-Operating Receipts (Disbursements)	
Principal Retirement	(33,127)
<i>Total Non-Operating Receipts (Disbursements)</i>	(33,127)
<i>(Loss) before Transfers</i>	(3,998)
Transfers In	26,500
<i>Net Change in Fund Cash Balances</i>	22,502
<i>Fund Cash Balances, January 1</i>	(21,151)
<i>Fund Cash Balances, December 31</i>	\$ 1,351

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1 – Reporting Entity

The Village of Green Camp (the Village), Marion County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, sewer utility and maintenance of the Village streets. The Green Camp Township Volunteer Fire Department provides fire protection services.

The Auditor of State of Ohio declared the Village of Green Camp to be in a state of fiscal emergency on June 16, 2015, 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 Village Mayor, the Village Council President, the Marion County Auditor, a local resident and three State of Ohio representatives.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction, Maintenance and Repair Fund – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

Enterprise Funds - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Fund – The Sewer Fund accounts for the provision of sanitary sewer service to the residents and commercial users within the Village.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

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

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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2017 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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.

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded estimated resources in the Sewer Fund by \$18,052 for the year ended December 31, 2017.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 66,080	\$ 63,351	\$ (2,729)
Special Revenue	23,330	16,971	(6,359)
Enterprise	129,700	101,313	(28,387)
Total	\$ 219,110	\$ 181,635	\$ (37,475)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 79,771	\$ 69,064	\$ 10,707
Special Revenue	29,600	3,695	25,905
Enterprise	126,601	105,311	21,290
Total	\$ 235,972	\$ 178,070	\$ 57,902

Note 5 - Deposits

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

	2017
Demand deposits	\$ 129,064
Certificate of deposit	30,069
Total deposits	\$ 159,133

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 6 – Taxes

Property Taxes

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

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 7 – Risk Management

The Village has obtained commercial insurance for the following risks:

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 1% of the employer contributions to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2017, was as follows:

	Principal	Interest Rate
OPWC #CP27G	\$ 221,904	0%
OWDA #7368	703,666	0%
Total	\$ 925,570	

In 2007, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for assistance in upgrading the Village's sewer system. The loan amount was \$404,995 with an interest rate of 0%. During 2015, the Village reamortized the loan in the amount of \$253,122 with an interest rate of 0%. The loan will be repaid in semiannual installments of \$4,219 over 30 years. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

In 2007, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) for assistance with the improvement of the sewer system. The total loan amount was \$1,237,837 with an interest rate of 0%. During 2016, the Village was not able to make payments on this loan due to insufficient funds in the Sewer Fund. OWDA renegotiated this loan in December 2016 in the principal amount of \$740,703 with an interest rate of 0%. The loan will be repaid in semiannual installments of \$12,345 over 30 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 10 – Debt (Continued)

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OPWC	OWDA
2018	\$ 4,218	\$ 12,345
2019	8,437	24,690
2020	8,437	24,690
2021	8,437	24,690
2022	8,437	24,690
2023-2027	42,185	123,450
2028-2032	42,185	123,450
2033-2037	42,185	123,450
2038-2043	42,185	123,450
2044-2048	15,198	98,761
Total	<u>\$ 221,904</u>	<u>\$ 703,666</u>

Note 11 – Contingent Liabilities

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

**VILLAGE OF GREEN CAMP
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 41,998	\$ -	\$ 41,998
Intergovernmental	22,898	32,873	55,771
Fines, Licenses and Permits	45	-	45
Earnings on Investments	61	42	103
Miscellaneous	3,248	-	3,248
<i>Total Cash Receipts</i>	<u>68,250</u>	<u>32,915</u>	<u>101,165</u>
Cash Disbursements			
Current:			
Security of Persons and Property	7,540	-	7,540
Public Health Services	1,490	-	1,490
Leisure Time Activities	673	-	673
Community Environment	350	-	350
Transportation	-	13,028	13,028
General Government	34,729	-	34,729
<i>Total Cash Disbursements</i>	<u>44,782</u>	<u>13,028</u>	<u>57,810</u>
<i>Net Change in Fund Cash Balances</i>	23,468	19,887	43,355
<i>Fund Cash Balances, January 1 (Restated, See Note 12)</i>	<u>55,376</u>	<u>50,948</u>	<u>106,324</u>
Fund Cash Balances, December 31			
Restricted	-	70,835	70,835
Unassigned	78,844	-	78,844
<i>Fund Cash Balances, December 31</i>	<u>\$ 78,844</u>	<u>\$ 70,835</u>	<u>\$ 149,679</u>

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

VILLAGE OF GREEN CAMP
MARION COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$ 97,416</u>
<i>Total Operating Cash Receipts</i>	<u>97,416</u>
Operating Cash Disbursements	
Contractual Services	<u>89,459</u>
<i>Total Operating Cash Disbursements</i>	<u>89,459</u>
<i>Operating (Loss)</i>	<u>7,957</u>
Non-Operating Receipts (Disbursements)	
Principal Retirement	<u>(25,001)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(25,001)</u>
<i>Net Change in Fund Cash Balances</i>	(17,044)
<i>Fund Cash Balances, January 1 (Restated, see Note 12)</i>	<u>(4,107)</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ (21,151)</u></u>

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1 – Reporting Entity

The Village of Green Camp (the Village), Marion County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, sewer utility and maintenance of the Village streets. The Green Camp Township Volunteer Fire Department provides fire protection services.

The Auditor of State of Ohio declared the Village of Green Camp to be in a state of fiscal emergency on June 16, 2015, 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 Village Mayor, the Village Council President, the Marion County Auditor, a local resident and three State of Ohio representatives.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction, Maintenance and Repair Fund – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

Enterprise Funds - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Sewer Fund – The Sewer Fund accounts for the provision of sanitary sewer service to the residents and commercial users within the Village.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Budgetary Process

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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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2016 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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.

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

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

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Permissive Motor Vehicle License Tax and Sewer Funds for the year ended December 31, 2016. Also contrary to Ohio law, appropriations exceeded estimated resources in the Sewer Fund for the year ended December 31, 2016.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 56,745	\$ 68,250	\$ 11,505
Special Revenue	17,106	32,915	15,809
Enterprise	96,000	97,416	1,416
Total	\$ 169,851	\$ 198,581	\$ 28,730

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 56,779	\$ 45,203	\$ 11,576
Special Revenue	16,270	13,028	3,242
Enterprise	104,600	114,460	(9,860)
Total	\$ 177,649	\$ 172,691	4,958

Note 5 - Deposits

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

	2016
Demand deposits	\$ 98,459
Certificate of deposit	30,069
Total deposits	\$ 128,528

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 6 – Taxes

Property Taxes

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

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

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 7 – Risk Management

The Village has obtained commercial insurance for the following risks:

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2% of the employer contributions to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2016, was as follows:

	Principal	Interest Rate
OPWC #CP27G	\$ 230,341	0%
OWDA #7368	728,356	0%
Total	\$ 958,697	

In 2007, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for assistance in upgrading the Village's sewer system. The loan amount was \$404,995 with an interest rate of 0%. During 2015, the Village reamortized the loan in the amount of \$253,122 with an interest rate of 0%. The loan will be repaid in semiannual installments of \$4,219 over 30 years. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

In 2007, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) for assistance with the improvement of the sewer system. The total loan amount was \$1,237,837 with an interest rate of 0%. During 2016, the Village was not able to make payments on this loan due to insufficient funds in the Sewer Fund. OWDA renegotiated this loan in December 2016 in the principal amount of \$740,703 with an interest rate of 0%. OWDA forgave \$4,863 in late fees accrued during 2015 and 2016, \$2,259 of which were incorrectly reflected as principal outstanding in the prior audit report. The loan will be repaid in semiannual installments of \$12,345 over 30 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

VILLAGE OF GREEN CAMP
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 10 – Debt (Continued)

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OPWC	OWDA
2017	\$ 4,218	\$ 12,345
2018	8,437	24,690
2019	8,437	24,690
2020	8,437	24,690
2021	8,437	24,690
2022-2026	42,185	123,450
2027-2031	42,185	123,450
2032-2036	42,185	123,450
2037-2041	42,185	123,450
2042-2046	23,635	123,451
Total	<u>\$ 230,341</u>	<u>\$ 728,356</u>

Note 11 – Contingent Liabilities

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

Note 12 – Prior Period Restatement

The Village contracted with AOS Local Government Services (LGS) to assist in reconciling its accounting system. The adjustments proposed by LGS required the following restatement of January 1, 2016 fund balances:

	General	Enterprise
December 31, 2015 Fund Balance	\$ 54,776	\$ (5,107)
LGS Adjustments:		
Checks that cleared UAN but not the bank	56	-
OPERS payments cleared in 2016	544	-
OPWC check amount cleared UAN but not the bank	-	1,000
January 1, 2016 Restated Fund Balance	<u>\$ 55,376</u>	<u>\$ (4,107)</u>



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

January 23, 2019

Village of Green Camp
Marion County
PO Box 43
Green Camp, OH 43322

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Green Camp**, Marion County (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated January 23, 2019, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. As disclosed in Note 1, on June 16, 2015, the Village was declared by the Auditor of State to be in a state of fiscal emergency.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedures – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations

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Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2017-002.

We also noted a certain matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated January 23, 2019.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

VILLAGE OF GREEN CAMP
MARION COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Material Weakness

Segregation of Duties

There is insufficient segregation of duties in the Village. Due to the size of the Village and the number of employees, the Fiscal Officer prepares checks, reconciles the bank account, records receipts, prepares deposits and opens the mail for the Village.

Proper internal control procedures require the various duties to be segregated among different employees. The duties of collecting, recording, depositing, reconciling and disbursing Village monies should be separated. Failure to maintain sufficient segregation of duties could allow errors and/or irregularities to go undetected without the knowledge of the Village Council.

In a small operation such as the Village, it is not always possible to have enough staff to properly segregate duties. Understanding this, we recommend the Mayor or Council take a more active role in monitoring transactions, such as examining cancelled checks and reviewing bank reconciliations. We recommend these reviews be random and sporadic, rather than scheduled. Such reviews would act as a deterrent to irregularities and would allow the Village an opportunity to timely detect and correct any errors that may occur.

Management's Response – Due to the size of the Village and that we have no employees, it is not practical for further segregation of duties. I, the Fiscal Officer, provide the following reports to each Council member every month: Revenue Status, Appropriation Status, Cash Summary by Fund, and Payment and Revenue for the month. The monthly bank reconciliation is looked over and signed by the Fiscal Officer and President of Council. I, the Fiscal Officer, also put in the meeting minutes if there are any questions on any of this, and Council also motions to approve these reports and bank reconciliations.

FINDING NUMBER 2017-002

Material Weakness/Noncompliance

Budgetary Controls

The budget is an instrument of public policy: a governing board expresses its desire for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead the Village to make financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.41(B) stating that no subdivision is to expend money unless it has been appropriated (expenditures exceeding appropriations);
- Violations of 5705.39 stating total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure.
- Appropriations posted in the accounting system did not always agree to the Council approved appropriations.

Council should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Village is complying with applicable sections.

Management's Response – The Village did not respond to this finding.

VILLAGE OF GREEN CAMP
MARION COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Segregation of Duties	Not Corrected	Repeated as Finding 2017-001
2015-002	Budgetary Monitoring	Not Corrected	Repeated as Finding 2017-002
2015-003	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2017-002
2015-004	Ohio Revised Code Section 5705.10(I)	Corrected	N/A
2015-005	26 USC 3402(a)(1) – Federal Withholding Remittances	Corrected	N/A
2015-006	26 USC Sections 3102(a) and 3101(b) – Medicare Withholding Remittances	Corrected	N/A
2015-007	Ohio School District Withholding Remittances	Corrected	N/A
2015-008	Ohio Revised Code Section 4123.38 – Unpaid Workers' Compensation Contributions	Corrected	N/A
2015-009	Ohio Revised Code Section 5747.07(B)(4) and 5747.07(E)(2) – State Withholding Remittances	Corrected	N/A
2015-010	Ohio Revised Code Section 5705.41(D)(1)	Corrected	N/A
2015-011	Proper Public Purpose – Late Fees	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GREEN CAMP

MARION 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
APRIL 11, 2019**