



Dave Yost • Auditor of State

**GREEN CAMP TOWNSHIP
MARION COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Green Camp Township
Marion County
5021 LaRue Green Camp Road
New Bloomington, Ohio 43341

To the Board of Trustees

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Green Camp Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012.

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 of 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, 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 Green Camp Township, Marion County, Ohio as of December 31, 2013 and 2012, 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 September 24, 2014, 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

September 24, 2014

**GREEN CAMP TOWNSHIP
MARION 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	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 41,338	\$ 57,882	\$ -	\$ 99,220
Licenses, Permits and Fees	-	5,650	-	5,650
Intergovernmental	63,397	94,193	-	157,590
Earnings on Investments	274	306	-	580
Miscellaneous	5,963	11,623	-	17,586
<i>Total Cash Receipts</i>	<u>110,972</u>	<u>169,654</u>	<u>-</u>	<u>280,626</u>
Cash Disbursements				
Current:				
General Government	71,947	105	-	72,052
Public Safety	-	27,954	-	27,954
Public Works	-	80,524	-	80,524
Health	221	5,730	-	5,951
Debt Service:				
Principal Retirement	2,093	28,590	393	31,076
Interest and Fiscal Charges	1,833	1,203	-	3,036
<i>Total Cash Disbursements</i>	<u>76,094</u>	<u>144,106</u>	<u>393</u>	<u>220,593</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>34,878</u>	<u>25,548</u>	<u>(393)</u>	<u>60,033</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	1,752	1,437	3,189
Transfers Out	(3,189)	-	-	(3,189)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(3,189)</u>	<u>1,752</u>	<u>1,437</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	31,689	27,300	1,044	60,033
<i>Fund Cash Balances, January 1</i>	<u>47,812</u>	<u>178,166</u>	<u>-</u>	<u>225,978</u>
Fund Cash Balances, December 31				
Restricted	-	205,466	-	205,466
Assigned	33,423	-	1,044	34,467
Unassigned	46,078	-	-	46,078
<i>Fund Cash Balances, December 31</i>	<u>\$ 79,501</u>	<u>\$ 205,466</u>	<u>\$ 1,044</u>	<u>\$ 286,011</u>

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

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 39,369	\$ 54,201	\$ 93,570
Licenses, Permits and Fees	-	4,578	4,578
Intergovernmental	54,993	101,882	156,875
Earnings on Investments	141	855	996
Miscellaneous	33,411	6,370	39,781
<i>Total Cash Receipts</i>	<u>127,914</u>	<u>167,886</u>	<u>295,800</u>
Cash Disbursements			
Current:			
General Government	61,323	-	61,323
Public Safety	-	43,212	43,212
Public Works	-	110,835	110,835
Health	24,231	5,700	29,931
Capital Outlay	-	19,000	19,000
Debt Service:			
Principal Retirement	2,541	16,903	19,444
Interest and Fiscal Charges	2,171	2,959	5,130
<i>Total Cash Disbursements</i>	<u>90,266</u>	<u>198,609</u>	<u>288,875</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>37,648</u>	<u>(30,723)</u>	<u>6,925</u>
<i>Fund Cash Balances, January 1</i>	<u>10,164</u>	<u>208,889</u>	<u>219,053</u>
Fund Cash Balances, December 31			
Restricted	-	178,166	178,166
Assigned	43,273	-	43,273
Unassigned	4,539	-	4,539
<i>Fund Cash Balances, December 31</i>	<u>\$ 47,812</u>	<u>\$ 178,166</u>	<u>\$ 225,978</u>

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

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Green Camp Township, Marion County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance and fire protection.

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 the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

C. Deposits and Investments

The Township'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.

During 2013 and 2012, The Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are 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.

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:

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

Special Levy Fund – This fund receives property tax monies to provide fire protection within the Township.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township created a debt service fund in 2013 to account for building mortgage and lease payments.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 2013 and 2012 budgetary activity appears in Note 3.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. 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.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

G. 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.

2. Equity in Pooled Deposits

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

	2013	2012
Demand deposits	\$190,014	\$130,299
Certificates of deposit	95,997	95,679
Total deposits	286,011	225,978

Deposits: Deposits are insured by the Federal Depository Insurance Corporation fully for 2012; however, \$36,011 of deposits were uninsured and uncollateralized for 2013.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,659	\$110,972	\$1,312
Special Revenue	170,289	171,406	1,117
Debt Service	1,437	1,437	0
Total	\$281,385	\$283,815	\$2,429

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$152,932	\$79,283	\$73,649
Special Revenue	285,583	144,106	141,477
Debt Service	1,437	393	1,044
Total	\$439,952	\$223,782	\$216,171

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. Budgetary Activity (Continued)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$108,140	\$127,914	\$19,774
Special Revenue	177,727	167,886	(9,841)
Total	\$285,867	\$295,800	\$9,933

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$120,056	\$90,266	\$29,790
Special Revenue	384,863	198,609	186,254
Total	\$504,919	\$288,875	\$216,044

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.

Public utilities are also taxed on personal and real property located within the Township.

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, 2013 was as follows:

	Principal	Interest Rate
Fire Truck Lease	\$27,722	4.35%
Building Loan	37,720	4.87%
Total	\$65,442	

On May 5, 2004, the Township entered into a loan agreement with Farmers State Bank for the purchase of a building. The loan amount was for \$59,600 with an interest rate of 4.26% to be paid in monthly installments over five years. On January 19, 2009, however, the Township entered into a loan agreement with The Ohio State Bank to refinance the loan for the purchase of the building. The amount that was refinanced was \$50,078 with an interest rate of 4.87% to be paid over 15 years.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

5. Debt (Continued)

Amortization of the building loan, including interest, is scheduled as follows:

Year ending December 31:	Principal	Interest	Total
2014	\$2,940	\$1,772	\$4,712
2015	3,086	1,626	4,712
2016	3,240	1,472	4,712
2017	3,401	1,311	4,712
2018-2022	19,721	3,837	23,558
2023-2024	5,333	164	5,497
Total	<u>\$37,720</u>	<u>\$10,181</u>	<u>\$47,901</u>

In addition to the debt described above, the Township entered into a capital lease agreement for a fire truck in 2007. The Township disbursed \$29,793 and \$19,862 to pay lease costs in 2013 and 2012. Future lease payments, including interest, are as follows:

Year ending December 31:	Total
2014	\$19,862
2015	9,931
Total	<u>\$29,793</u>

6. Retirement Systems

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 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

There have been no significant decreases in insurance coverage from the prior year and claims have not exceeded coverage in any of the past three years.



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

Green Camp Township
Marion County
5021 LaRue-Green Camp Road
New Bloomington, Ohio 43341

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 Green Camp Township, Marion County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2014, 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 opinions 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 certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 findings 2013-001, 2013-002 and 2013-004 described in the accompanying schedule of findings to be material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2013-001 through 2013-003.

Entity's Response to Findings

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses 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 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

September 24, 2014

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Payroll Certification – Material Weakness and Noncompliance

Ohio Rev. Code §505.24 (C) states in part, "By unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. If the office of trustee is held by more than one person during any calendar year, each person holding the office shall receive payments for only those months, and any fractions of those months, during which the person holds the office. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division, and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed. A board of township trustees that has adopted a salary method of compensation may return to a method of compensation on a per diem basis as specified in this division by a majority vote. Any change in the method of compensation shall be effective on the first day of January of the year following the year during which the board has voted to change the method of compensation."

Certifications must be completed prior to a trustee receiving his/her pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee/fiscal officer spent during that pay period providing services related to each fund to be charged.

The Township did not complete salary certifications for the trustees in 2013 and should have been paid one hundred percent from the General Fund. \$6,058 of the trustee salaries/benefits were paid from the Gasoline Tax Fund (fund 2011) and \$12,735 was paid from the Motor Vehicle License Tax Fund (fund 2021). The Township's accounting records and the accompanying financial statements were adjusted to reallocate these salaries/benefits to the General Fund.

Failure to properly certify the trustee salaries could result in findings for adjustment.

We recommend the Township implement a formal control structure to ensure required certifications are completed at the beginning of each year.

FINDING NUMBER 2013-002

Revenue Posting – Material Weakness and Noncompliance

Ohio Rev. Code §5705.10 states, in part, that all revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made. All revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township posted \$3,343 of Special Levy Fund tax receipts to the General Fund in 2012. The Township's accounting records and the accompanying financial statements were adjusted to reallocate these revenues to the Special Levy Fund.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2013-002 (Continued)

Revenue Posting – Material Weakness and Noncompliance (Continued)

Failure to properly post special levy fund tax receipts to the Special Revenue fund results in the understatement of special levy receipts.

We recommend the Fiscal Officer and Township Trustees take measures to ensure revenue is posted according to the applicable Ohio Revised Code sections.

FINDING NUMBER 2013-003

Depository Agreement / Insufficient Depository Collateral - Noncompliance

Ohio Rev. Code §135.14(B)(3), 135.08, and 135.09 require interim deposits to be awarded to eligible institutions who properly apply with the legislative authority. Ohio Rev. Code Section 135.03 states in part that any national bank located in this state and any bank as defined in Ohio Rev. Code Section 1101.01, subject to inspection by the superintendent of financial institutions, is eligible to become a public depository, subject to sections 135.01 to 135.21 of the Ohio Rev. Code.

Ohio Rev. Code Section § 135.12 (B) and (C) requires Township Trustees to meet every five years for the purpose of designating the public depositories for the period of five years; if Township Trustees determine, during a designation period, that a public depository designated under this section is insolvent or operating in an unsound or unsafe manner, the governing board may meet and designate a different public depository of the public moneys of the state or of the subdivision for the remainder of the designation period.

Ohio Rev. Code §135.18(A) states, "The treasurer, before making the initial deposit in a public depository pursuant to an award made under sections 135.01 to 135.21 of the Revised Code, except as provided in section 135.144 or 135.145 of the Revised Code, shall require the institution designated as a public depository to pledge to and deposit with the treasurer, as security for the repayment of all public moneys to be deposited in the public depository during the period of designation pursuant to the award, eligible securities of aggregate market value equal to the excess of the amount of public moneys to be at the time so deposited, over and above the portion or amount of such moneys as is at that time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government. In the case of any deposit other than the initial deposit made during the period of designation, the amount of the aggregate market value of securities required to be pledged and deposited shall be equal to the difference between the amount of public moneys on deposit in such public depository plus the amount to be so deposited, minus the portion or amount of the aggregate as is at the time insured as provided in this section. The treasurer may require additional eligible securities to be deposited to provide for any depreciation which may occur in the market value of any of the securities so deposited."

The Township maintained deposits with the Richwood Banking Company without an active depository agreement during fiscal years 2013 and 2012. The Township funds were fully covered by FDIC insurance during fiscal year 2012. However, the Township funds exceeded the FDIC insurance amount in fiscal year 2013 by \$36,011.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2013-003 (Continued)

Depository Agreement / Insufficient Depository Collateral – Noncompliance (Continued)

No securities were pledged to cover the excess. Therefore, a portion of the funds was at risk of loss.

We recommend the Fiscal Officer only deposit funds with designated depositories with approved depository agreements. We also recommend the Fiscal Officer monitor the bank balances and collateral pledged to make sure the Township has the necessary coverage.

FINDING NUMBER 2013-004

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

In addition to the adjustments described in Findings 2013-001 and 2013-003, the following audit adjustment was made to the December 31, 2013 and 2012 financial statements and the Township's accounting records:

- Adjustment of \$1,752 for prior year revenue mispostings to correct beginning fund balance in the General Fund and Special Levy Fund in 2012.
- Adjustment of \$3,343 in the General Fund for fiscal year 2012 to move revenue from the General fund and correctly post the revenue in the Special Levy Fund (Fund 2191).
- Reclassification of \$33,423 and \$43,273 in the General Fund for fiscal year 2013 and 2012, respectively to properly classify ending fund balances as Assigned.

The following audit adjustments to the December 31, 2013 and 2012 financial statements were not material to the financial statements and have not been posted to the financial statements or accounting records:

- Reclassification of \$2,551 in the General Fund to move intergovernmental receipts from property taxes to intergovernmental in 2013.
- Reclassification of \$1,013 in the Special Levy Fund to move debt related payments from general government to interest in 2013.
- Reclassification of \$3,414 in the Special Levy Fund to move intergovernmental receipts from property taxes to intergovernmental in 2013.
- Reclassification of \$4,900 in the Special Levy Fund to move miscellaneous receipts to sale of assets in 2013.
- Reclassification of \$1,500 in the Special Levy Fund to move miscellaneous receipts to intergovernmental in 2013.
- Reclassification of \$393 and \$266 in the General Fund to move debt payments to interest for 2013 and 2012, respectively.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>

FINDING NUMBER 2013-004 (Continued)

Financial Reporting – Material Weakness (Continued)

Failure to properly post transactions to accounting records could lead to improper monitoring of Township activity by the Board.

The adjustments and reclassifications identified should be reviewed by the Fiscal Officer and Township Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Township should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Township's activity.

Officials' Response for all findings above:

As your Township officials, we have performed our duties to the best of each other's abilities.

**GREEN CAMP TOWNSHIP
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Failure to post estimated receipts and expenditures to the ledgers in a timely manner.	No	Partially Corrected, reissued as ML
2011-002	Ohio Revised Code § 5705.41(B): Expenditures Exceeded Appropriations	Yes	

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Dave Yost • Auditor of State

GREEN CAMP TOWNSHIP

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
NOVEMBER 13, 2014**