



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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VILLAGE OF GREEN CAMP
MARION COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2013 and 2012
Fiscal Years Audited Under GAGAS: 2013 and 2012



Dave Yost • Auditor of State

Village Council
Village of Green Camp
101 Columbus Street, P.O. Box 43
Green Camp, Ohio 43322-0043

We have reviewed the *Independent Auditor's Report* of the Village of Green Camp, Marion County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 "Dave Yost".

Dave Yost
Auditor of State

August 13, 2014

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**Village of Green Camp
Marion County**

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Independent Auditor's Report

Village of Green Camp
Marion County
101 Columbus Street, P.O. Box 43
Green Camp, Ohio 43322-0043

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Green Camp, Marion County, (the Village) 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 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 appropriations 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 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, to satisfy 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

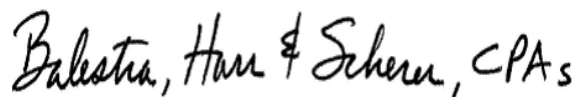
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013 and 2012, 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 combined cash balances of the Village of Green Camp, Marion County 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 May 23, 2014, 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.



Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
May 23, 2014

**Village of Green Camp
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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 38,754	\$ -	\$ 38,754
Intergovernmental	14,672	17,927	32,599
Charges for Services	714	-	714
Fines, Licenses, and Permits	700	-	700
Earnings on Investments	801	-	801
Miscellaneous	5	-	5
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	55,646	17,927	73,573
Cash Disbursements:			
Current:			
Security of Persons and Property	1,471	-	1,471
Public Health Services	1,212	-	1,212
Community Environment	903	-	903
Leisure Time Activities	989	-	989
Basic Utility Services	16,074	-	16,074
Transportation	9,026	13,082	22,108
General Government	31,573	-	31,573
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	61,248	13,082	74,330
Total Cash Receipts Over/(Under) Cash Disbursements	(5,602)	4,845	(757)
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	-	9,010	9,010
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	-	9,010	9,010
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,602)	13,855	8,253
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
Restricted	-	43,920	43,920
Unassigned	34,403	-	34,403
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 34,403</u>	<u>\$ 43,920</u>	<u>\$ 78,323</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 (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2013

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 72,803
Miscellaneous	311
	73,114
Operating Cash Disbursements:	
Contractual Services	49,556
	49,556
Operating Income (Loss)	23,558
Non-Operating Receipts (Disbursements):	
Principal Retirement	(82,142)
	(82,142)
Net Change in Fund Cash Balance	(58,584)
Fund Cash Balance, January 1	60,950
Fund Cash Balance, December 31	\$ 2,366

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 (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2012

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 41,274	\$ -	\$ 41,274
Intergovernmental	17,309	17,388	34,697
Charges for Services	1,187	-	1,187
Fines, Licenses, and Permits	1,000	-	1,000
Earnings on Investments	938	-	938
Miscellaneous	1,549	-	1,549
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	63,257	17,388	80,645
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,921	-	2,921
Public Health Services	3,543	-	3,543
Basic Utility Services	13,437	-	13,437
Transportation	7,855	15,689	23,544
General Government	35,851	-	35,851
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	63,607	15,689	79,296
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(350)	1,699	1,349
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	40,355	28,366	68,721
	<hr/>	<hr/>	<hr/>
Restricted	-	30,065	30,065
Unassigned	40,005	-	40,005
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$ 40,005	\$ 30,065	\$ 70,070
	<hr/>	<hr/>	<hr/>

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 (Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2012

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 82,863
Total Operating Cash Receipts	82,863
Operating Cash Disbursements:	
Contractual Services	44,329
Total Operating Cash Disbursements	44,329
Operating Income (Loss)	38,534
Non-Operating Receipts (Disbursements):	
Principal Retirement	(82,142)
Total Non-Operating Receipts (Disbursements)	(82,142)
Net Change in Fund Cash Balance	(43,608)
Fund Cash Balance, January 1	104,558
Fund Cash Balance, December 31	\$ 60,950

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

**VILLAGE OF GREEN CAMP
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 Village of Green Camp, Marion County, (the Village) as a body corporate and politic. 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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Village'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.

The Village values certificates of deposit at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund 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 Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Enterprise Fund

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 – This fund receives charges for services from residents to cover sewer service costs.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

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 Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village 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

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.

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 Village Council or a Village 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 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.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

G. Property, Plant, and Equipment

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

H. 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 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:

	2013	2012
Demand deposits	\$50,624	\$100,958
Certificate of deposit	30,065	30,062
Total deposits	\$80,689	\$131,020

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, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$57,154	\$55,646	(\$1,508)
Special Revenue	21,782	26,937	5,155
Enterprise	118,027	73,114	(44,913)
Total	\$196,963	\$155,697	(\$41,266)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$109,869	\$61,248	\$48,621
Special Revenue	25,137	13,082	12,055
Enterprise	128,750	131,698	(2,948)
Total	\$263,756	\$206,028	\$57,728

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

3. Budgetary Activity (Continued)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,632	\$63,607	(\$59,025)
Special Revenue	15,263	17,388	2,125
Enterprise	61,524	82,863	21,339
Total	\$199,419	\$163,858	(\$35,561)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$116,185	\$63,607	\$52,578
Special Revenue	39,600	15,689	23,911
Enterprise	143,710	126,471	17,239
Total	\$299,495	\$205,767	\$93,728

Contrary to Ohio law, appropriations exceeded available resources during 2012 in the Street Construction, Maintenance and Repair Fund by \$9,834 and in the State Highway Fund by \$11,134 and during 2013 in the General Fund by \$29,710. Also, contrary to Ohio law, disbursements exceeded appropriations in the Sewer Fund by \$2,948 during 2013.

4. Property Tax

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

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

5. Retirement System

The Village's officials and 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 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

6. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and,
- Errors and Omissions.

7. Debt

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
OPWC (2007)	\$ 263,245	0.00%
OWDA (2007)	\$ 773,648	0.00%
Total	\$ 1,036,893	

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 0.00%, and will be repaid in semiannual installments of \$10,125 over 20 years. The loan is secured by sewer receipts. 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 0.00%, and will be repaid in semiannual installments of \$30,946 over 20 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA Loan	OPWC Loan
2014	\$ 61,892	\$ 20,250
2015	61,892	20,250
2016	61,892	20,250
2017	61,892	20,250
2018	61,892	20,250
2019 - 2023	309,460	101,250
2024 - 2026	154,728	60,745
	\$ 773,648	\$ 263,245

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

8. Accountability and Compliance

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated. The Village had disbursements that exceeded appropriations during 2013.

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total estimated resources. The Village had appropriations that exceeded available resources during 2013 and 2012.

9. Fund Balances

Fund Balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the Village's governmental funds are presented below:

December 31, 2013

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental</u>
Restricted for:			
Streets	\$0	\$43,920	\$43,920
Unassigned	<u>34,403</u>	<u>0</u>	<u>34,303</u>
Total Fund Balances	<u>\$34,303</u>	<u>\$43,920</u>	<u>\$78,323</u>

December 31, 2012

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental</u>
Restricted for:			
Streets	\$0	\$30,065	\$30,065
Unassigned	<u>40,005</u>	<u>0</u>	<u>40,005</u>
Total Fund Balances	<u>\$40,005</u>	<u>\$30,065</u>	<u>\$70,070</u>



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Village of Green Camp
Marion County
101 Columbus Street, P.O. Box 43
Green Camp, Ohio 43322-0043

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 Village of Green Camp, Marion County, (the Village) 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 May 23, 2014, 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.

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 opinion 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.

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 weakness 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 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. We consider findings 2013-001 through 2013-004, described in the accompanying schedule of findings, to be material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are disclosed in the accompanying schedule of findings as items 2013-005 and 2013-006.

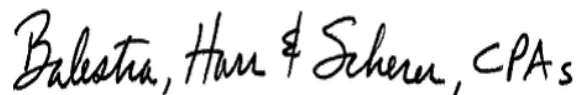
We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 23, 2014.

Entity's Response to Findings

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



Balestra, Harr & Scherer, CPAs, Inc.
Worthington, Ohio
May 23, 2014

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

FINDING NUMBER 2013-001

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 Clerk 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 be segregated among different employees. The duties of collecting, recording, depositing, reconciling, and disbursing of 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 of Green Camp, 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.

Officials Response:

The Village will make every effort to comply with this recommendation.

FINDING NUMBER 2013-002

Material Weakness – Financial Reporting

Ohio Administrative Code Section 117-2-02A directs all public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, and analyze, classify, record and report its transactions, maintain accountability for the related assets, and prepare financial statements required by Rule 117-2-03 of the OAC. OAC /section 117-2-02D allows the records to be maintained manually or in a computerized format and requires the following: 1) Cash journal with the amount, date, receipt number, check number, account code and any other information necessary to properly classify the transaction; 2) Receipts ledger to assemble and classify receipts into separate accounts for each type of receipt of each fund consisting of the amount, date, name of the payer, purpose, receipt number and other information necessary to record the transaction on this ledger, and 3) Appropriation ledger to assemble and classify disbursements into separate funds and accounts for, at a minimum, each fund and account listed in the appropriation resolution. The amount, date, fund, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations and any other information necessary to record the transaction in the appropriate columns.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

FINDING NUMBER 2013-002 (Continued)

Material Weakness – Financial Reporting (Continued)

Below are descriptions of the types of adjustments and reclassifications that were deemed material and required posting to the Village's December 31, 2013 and 2012 financial statements.

- Failure to post interest income and other miscellaneous receipts in the General Fund.
- Misclassification of property tax receipts at net rather than gross.
- Misclassification of loan principal payments in the Sewer Fund.
- Improper allocation of gasoline tax monies between the Street Construction, Maintenance and Repair Fund and the State Highway Fund.
- Misclassification of homestead and rollback receipts and gasoline tax receipts as property tax receipts rather than intergovernmental receipts in the General Fund and in the Street Construction, Maintenance and Repair Fund.

The fact that the posting errors resulting in reclassification and adjusting entries occurred indicates a significant deficiency in the internal control over financial recordkeeping and reporting and resulted in the inaccurate reflection of the receipts and disbursements of the Village for 2013 and 2012.

The Village has posted the proposed audit fund balance adjustments to the financial statements and accounting records.

We recommend the Clerk review the requirements of OAC Section 117-2-02 and the description of the accounts and to maintain the receipt ledger, appropriation ledger, and cash journal in the manner prescribed therein.

Officials Response:

The Village will make every effort to comply with this recommendation.

FINDING NUMBER 2013-003

Material Weakness – Bank Reconciliation

The Village is required to have monthly bank reconciliations that reconcile Village Bank accounts to a combined total of the Village's fund balances with no unidentified amounts.

While the Village did maintain bank reconciliations, we noted that on several occasions the Clerk noted an unedified error in order to complete the bank reconciliations. These errors were related to miscellaneous un-posted receipts in the General Fund, including the failure to record interest income for two Certificates of deposit for the entire year 2012.

Without reconciliations that account for all activity identified, the Village might miss-post transactions and/or misrepresent actual cash balances.

We recommend the Village Clerk reconcile to a zero unidentified amount each month and that the reconciliations be presented to the Village Council for approval.

Officials Response:

The Village will make every effort to comply with this recommendation.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

FINDING NUMBER 2013-004

Material Weakness – Budgetary Monitoring

Entities require strong controls over the budgetary Ohio Revised Code compliance requirements. These internal controls should provide monitoring over compliance with applicable Ohio Revised Code Sections.

The Village lacks monitoring controls over completing the necessary paperwork annually to be in compliance with the applicable Ohio Revised Code compliance sections.

Lack of such internal controls facilitates the Village's noncompliance with certain rules and regulations and could facilitate over spending of available monies.

We recommend the Village consider implementing a "due date" system that denotes significant budgetary filing requirements and their respective due dates. We further recommend the Village Council designate a council member to oversee the implementation and compliance with this system. This will help ensure that all required budgetary documents are properly approved and submitted as required and on a timely basis.

Officials Response:

The Village will make every effort to comply with this recommendation.

FINDING NUMBER 2013-005

Material Noncompliance

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

The Village had disbursements exceeding appropriations by \$2,948 in the Sewer Fund during the year ended December 31, 2013.

With disbursements exceeding appropriations, the Village is expending monies that have not been appropriated and approved by the Village Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the Village monitor disbursements closely to help ensure they do not exceed lawful appropriations.

Officials Response:

The Village will make every effort to monitor disbursements and appropriations.

**VILLAGE OF GREEN CAMP
MARION COUNTY**

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

FINDING NUMBER 2013-006

Material Noncompliance

Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources.

During Fiscal Year 2012, appropriations exceeded estimated resources by \$9,834 in the Street Construction, Maintenance and Repair Fund and by \$11,134 in the State Highway Fund.

During Fiscal Year 2013 appropriations exceeded estimated resources by \$29,710 in the General Fund.

With appropriations exceeding estimated resources, the Village could authorize disbursements for which there are no funds available to pay the obligation.

We recommend the Village implement monitoring controls to help ensure that appropriations do not exceed estimated resources.

Officials Response:

The Village will make every effort to monitor appropriations and estimated resources.

**VILLAGE OF GREEN CAMP
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; Explain:
2011-VOGC-001	Material Weakness – Financial Reporting/Receipt Posting	No	Reissued as item 2013-002
2011-VOGC-002	Material Weakness – Bank Reconciliation	No	Reissued as item 2013-003
2011-VOGC-003	ORC 5705.38 Adoption of annual Appropriation Resolution	Yes	
2011-VOGC-004	ORC 5705.40 Supplemental Appropriations	Yes	
2011-VOGC-005	ORC 5705.41(B) Expenditures exceeding Appropriations	No	Reissued as item 2013-005
2011-VOGC-006	ORC 5705.41(D) fiscal Officer’s certification of funds	No	Significantly corrected, reissued in the Management Letter
2011-VOGC-007	ORC 5705.36 Certification of Year – End unencumbered balances	Yes	
2011-VOGC-008	Material Weakness – Budgetary Monitoring	No	Reissued as 2013-004

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Dave Yost • Auditor of State

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
AUGUST 26, 2014**