



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2016 and 2015
Fiscal Years Audited Under GAGAS: 2016 and 2015



Dave Yost • Auditor of State

Village Council
Village of Christiansburg
PO Box 115
Christiansburg, OH 45389

We have reviewed the *Independent Auditor's Report* of the Village of Christiansburg, Champaign County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2015 through December 31, 2016. 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 Christiansburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 5, 2017

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VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY, OHIO
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Independent Auditor's Report

Village of Christiansburg
Champaign County
PO Box 115
Christiansburg, OH 45389

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 the Village of Christiansburg, Champaign County, (the Village), as of and for the years ended December 31, 2016 and 2015.

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 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting 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 permitted 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, 2016 and 2015, or changes in financial position or cashflows 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 Christiansburg, Champaign County, as of December 31, 2016 and 2015, 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 April 28, 2017, on our consideration of the Village's internal control over financial reporting and on 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 Standard* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
April 28, 2017

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$ 16,480	\$ 31,853	\$ -	\$ 48,333
Intergovernmental	17,751	35,804	-	53,555
Charges for Services	-	6,849	-	6,849
Earnings on Investments	1,586	31	-	1,617
Miscellaneous	80	1,235	-	1,315
	<u>35,897</u>	<u>75,772</u>	<u>-</u>	<u>111,669</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons & Property	3,753	36,115	-	39,868
Leisure Time Activities	488	12,959	-	13,447
Transportation	6,692	43,553	-	50,245
General Government	23,959	1,100	-	25,059
	<u>34,892</u>	<u>93,727</u>	<u>-</u>	<u>128,619</u>
Total Cash Disbursements				
<i>Excess of Receipts Over (Under) Disbursements</i>	1,005	(17,955)	-	(16,950)
Other Financing Receipts (Disbursements):				
Other Sources	-	2,150	-	2,150
	<u>-</u>	<u>2,150</u>	<u>-</u>	<u>2,150</u>
Total Other Financing Receipts (Disbursements)				
<i>Net Change in Fund Cash Balances</i>	1,005	(15,805)	-	(14,800)
Fund Cash Balances, January 1	46,074	149,003	18,498	213,575
Restricted	-	133,198	18,498	133,198
Unassigned	47,079	-	-	47,079
	<u>47,079</u>	<u>-</u>	<u>-</u>	<u>47,079</u>
Fund Cash Balances, December 31	<u>\$ 47,079</u>	<u>\$ 133,198</u>	<u>\$ 18,498</u>	<u>\$ 198,775</u>

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

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

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

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 272,539
Total Operating Cash Receipts	272,539
Operating Cash Disbursements	
Personal services	31,200
Fringe benefits	4,605
Contractual services	310,318
Supplies and Materials	8,620
Total Operating Cash Disbursements	354,743
<i>Operating Income (Loss)</i>	(82,204)
Non-Operating Receipts (Disbursements)	
Intergovernmental	18,882
Miscellaneous Receipts	6,096
Debt Proceeds	252,683
Capital Outlay	(9,338)
Debt Service:	
Principal	(132,989)
Interest	(14,141)
Other Financing Uses	(3,113)
Total Non-Operating Receipts (Disbursements)	118,080
<i>Net Change in Fund Cash Balances</i>	35,876
Fund Cash Balances, January 1	364,683
Fund Cash Balances, December 31	<u>\$ 400,559</u>

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$ 17,594	\$ 34,055	\$ -	\$ 51,649
Intergovernmental	16,378	34,753	-	51,131
Charges for Services	-	7,484	-	7,484
Fines, Licenses, and Permits	88	-	-	88
Earnings on Investments	619	24	-	643
Miscellaneous	<u>97</u>	<u>2,044</u>	<u>-</u>	<u>2,141</u>
Total Cash Receipts	<u>34,776</u>	<u>78,360</u>	<u>-</u>	<u>113,136</u>
Cash Disbursements:				
Current:				
Security of Persons & Property	4,323	35,695	-	40,018
Leisure Time Activities	47	12,536	-	12,583
Transportation	301	18,636	-	18,937
General Government	<u>24,717</u>	<u>4,073</u>	<u>-</u>	<u>28,790</u>
Total Cash Disbursements	<u>29,388</u>	<u>70,940</u>	<u>-</u>	<u>100,328</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	5,388	7,420	-	12,808
Other Financing Receipts (Disbursements):				
Other Sources		2,470	-	2,470
Other Uses	<u>(129)</u>	<u>-</u>	<u>-</u>	<u>(129)</u>
Total Other Financing Receipts (Disbursements)	<u>(129)</u>	<u>2,470</u>	<u>-</u>	<u>2,341</u>
<i>Net Change in Fund Cash Balances</i>	5,259	9,890	-	15,149
Fund Cash Balances, January 1	<u>40,815</u>	<u>139,113</u>	<u>18,498</u>	<u>198,426</u>
Restricted	-	149,003	18,498	149,003
Unassigned	<u>46,074</u>	<u>-</u>	<u>-</u>	<u>46,074</u>
Fund Cash Balances, December 31	<u>\$ 46,074</u>	<u>\$ 149,003</u>	<u>\$ 18,498</u>	<u>\$ 213,575</u>

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 219,193
Total Operating Cash Receipts	219,193
Operating Cash Disbursements	
Personal services	28,780
Fringe benefits	4,267
Contractual services	1,124,551
Supplies and Materials	5,486
Total Operating Cash Disbursements	1,163,084
<i>Operating Income (Loss)</i>	(943,891)
Non-Operating Receipts (Disbursements)	
Intergovernmental	199,010
Miscellaneous Receipts	12,537
Capital Outlay	(8,918)
Debt Proceeds	884,721
Debt Service:	
Principal	(11,584)
Interest	(4,874)
Total Non-Operating Receipts (Disbursements)	1,070,892
<i>Income (Loss) Before Transfers and Advances</i>	127,001
<i>Net Change in Fund Cash Balances</i>	127,001
Fund Cash Balances, January 1	237,682
Fund Cash Balances, December 31	\$ 364,683

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

1. Reporting Entity

The Village of Christiansburg, Champaign County, Ohio, (the Village) 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. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Champaign County Sheriff's department to provide security of persons and property. The Village contracts with the Christiansburg Fire Company to receive fire protection services.

The Village participates in the Ohio Plan Risk Management public entity risk pool. See Note 8 to the financial statements for additional information for this entity.

The Village management believes these financial statements represent all activities for which the Village is financially accountable.

2. Summary of Significant Account Policies

A. 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 fund types which are organized on a fund type basis.

B. 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 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 Funds:

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

Fire and Ambulance Fund - This fund receives tax revenue that is levied for purposes of contracting fire and ambulance services.

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

2. Summary of Significant Account Policies (Continued)

B. Fund Accounting (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Addison Lateral Fund This fund receives transfers from the General Fund to pay for future work on the Addison Lateral storm sewer.

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 Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

C. 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 Board 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.

D. 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.

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

2. Summary of Significant Account Policies (Continued)

D. Budgetary Process (Continued)

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

A summary of 2016 and 2015 budgetary activity appears in Note 3.

E. 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. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report

F. 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.

G. 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.

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

2. Summary of Significant Account Policies (Continued)

G. Fund Balance (Continued)

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.

3. Budgetary Activity

Budgetary activity for the year ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 76,074	\$ 35,897	\$ (40,177)
Special Revenue	218,227	77,922	(140,305)
Capital Projects	20,498	-	(20,498)
Enterprise	1,744,378	550,200	(1,194,178)
Total	\$ 2,059,177	\$ 664,019	\$ (1,395,158)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 75,660	\$ 34,892	\$ 40,768
Special Revenue	156,165	93,727	62,438
Capital Projects	20,000	-	20,000
Enterprise	767,909	514,324	253,585
Total	\$ 1,019,734	\$ 642,943	\$ 376,791

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

3. Budgetary Activity (Continued)

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 70,815	\$ 34,776	\$ (36,039)
Special Revenue	208,338	80,830	(127,508)
Capital Projects	20,498	-	(20,498)
Enterprise	2,644,082	1,315,461	(1,328,621)
Total	\$ 2,943,733	\$ 1,431,067	\$ (1,512,666)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 68,550	\$ 29,517	\$ 39,033
Special Revenue	157,614	70,940	86,674
Capital Projects	20,000	-	20,000
Enterprise	2,111,083	1,188,460	922,623
Total	\$ 2,357,247	\$ 1,288,917	\$ 1,068,330

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

4. Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2016 and 2015 was as follows:

	<u>2016</u>	<u>2015</u>
Demand deposits	\$372,669	\$352,604
Certificates of deposit	36,915	36,915
Total deposits	<u>409,584</u>	<u>389,519</u>
 STAR Ohio	 <u>189,750</u>	 <u>188,739</u>
 Total investments	 <u>189,750</u>	 <u>188,739</u>
Total deposits and investments	<u><u>\$599,334</u></u>	<u><u>\$578,258</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

5. 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.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

6. Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan - 4824	\$603,027	1.5%
Ohio Water Development Authority Loan - 6657	\$1,532,545	0%
Total	\$2,135,572	

The Ohio Water Development Authority (OWDA) loan 4824 relates to the Village's construction, maintenance and operation of a water plant project. The OWDA approved up to \$945,637 in loans to the Village of this project. The Village will repay the loans in semiannual installments of \$16,459, including interest, over 30 years. The scheduled payment amount below assumes that \$864,216 will be borrowed. The OWDA will adjust the schedule payment to reflect any revisions when the project is completed and approved by the Environmental Protection Agency. The maturity date of the loan is July 1, 2038. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan 6657 relates to the Village's construction, maintenance and operation of new sewer facilities. The OWDA approved up to \$1,820,905 in loans to the Village of this project. The Village will repay the loans in semiannual installments of \$48,856 over 20 years. The OWDA will adjust the schedule payment to reflect any revisions when the project is completed and approved by the Environmental Protection Agency. The maturity date of the loan is January 1, 2036. The Village has agreed to set sewer utility rates sufficient to cover OWDA debt service requirements.

Amortization

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

Year ending	OWDA
December 31:	Loan 4824
2017	\$32,917
2018	32,917
2019	32,917
2020	32,917
2021	32,917
2022-2026	164,587
2027-2031	164,587
2032-2036	164,587
2037-2038	65,835
Total	\$724,181

* No amortization schedule available for OWDA Loan 6657

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

7. Retirement Systems

Ohio Public Employees Retirement System

The Village'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 2016 and 2015, 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.

8. Risk Pool Membership

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**Notes to The Financial Statements
December 31, 2016 AND 2015**

8. Risk Pool Membership (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u><u>\$5,531,637</u></u>	<u><u>\$5,887,681</u></u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.



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

Village of Christiansburg
Champaign County
PO Box 115
Christiansburg, OH 45389

To the Village Council:

We have audited, in accordance with the 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 Christiansburg, Champaign County, (the Village) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, and have issued our report thereon dated April 28, 2017, wherein we noted the Village followed financial reporting provisions that 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.

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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control testing 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
April 28, 2017



Dave Yost • Auditor of State

VILLAGE OF CHRISTIANSBURG

CHAMPAIGN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 20, 2017