



**CAMDEN TOWNSHIP
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Camden Township
Lorain County
51651 Betts Road
Wellington, Ohio 44090-9133

To the Board of Trustees:

We have audited the accompanying financial statements of Camden Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Camden Township, Lorain County, Ohio, as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2000 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 grants.

This report is intended solely for the information and use of the Board of Trustees, management, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 7, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$44,798	\$106,058	\$0	\$150,856
Intergovernmental	77,852	81,082	55,876	214,810
Charges for Services	0	6,260	0	6,260
Licenses, Permits, and Fees	5,111	7,205	0	12,316
Earnings on Investments	910	127	0	1,037
Other Revenue	2,742	6,823	0	9,565
Total Cash Receipts	<u>131,413</u>	<u>207,555</u>	<u>55,876</u>	<u>394,844</u>
Cash Disbursements:				
Current:				
General Government	99,816	1,329	0	101,145
Public Safety	0	21,445	0	21,445
Public Works	30,774	149,003	55,876	235,653
Health	0	6,316	0	6,316
Capital Outlay	7,158	1,019	154	8,331
Total Cash Disbursements	<u>137,748</u>	<u>179,112</u>	<u>56,030</u>	<u>372,890</u>
Total Receipts Over/(Under) Disbursements	<u>(6,335)</u>	<u>28,443</u>	<u>(154)</u>	<u>21,954</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,335)	28,443	(154)	21,954
Fund Cash Balances, January 1	<u>63,717</u>	<u>52,159</u>	<u>154</u>	<u>116,030</u>
Fund Cash Balances, December 31	<u>\$57,382</u>	<u>\$80,602</u>	<u>\$0</u>	<u>\$137,984</u>
Reserve for Encumbrances, December 31	<u>\$27,745</u>	<u>\$36,922</u>	<u>\$0</u>	<u>\$64,667</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Non-Expendable Trust
Total Cash Receipts	0
Total Cash Disbursements	0
Total Receipts Over/(Under) Disbursements	0
Fund Cash Balances, January 1	4,000
Fund Cash Balances, December 31	\$4,000

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$44,035	\$104,380	\$0	\$148,415
Intergovernmental	77,394	70,843	0	148,237
Charges for Services	0	6,400	0	6,400
Licenses, Permits, and Fees	2,680	8,825	0	11,505
Earnings on Investments	1,701	287	0	1,988
Other Revenue	9,066	3,888	0	12,954
Total Cash Receipts	<u>134,876</u>	<u>194,623</u>	<u>0</u>	<u>329,499</u>
Cash Disbursements:				
Current:				
General Government	75,454	1,181	0	76,635
Public Safety	0	20,282	0	20,282
Public Works	0	129,942	0	129,942
Health	0	6,756	0	6,756
Capital Outlay	15,433	15,631	5,917	36,981
Total Cash Disbursements	<u>90,887</u>	<u>173,792</u>	<u>5,917</u>	<u>270,596</u>
Total Receipts Over/(Under) Disbursements	<u>43,989</u>	<u>20,831</u>	<u>(5,917)</u>	<u>58,903</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	6,000	2,000	8,000
Transfers-Out	(8,000)	0	0	(8,000)
Total Other Financing Receipts/(Disbursements)	<u>(8,000)</u>	<u>6,000</u>	<u>2,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>35,989</u>	<u>26,831</u>	<u>(3,917)</u>	<u>58,903</u>
Fund Cash Balances, January 1	<u>27,728</u>	<u>25,328</u>	<u>4,071</u>	<u>57,127</u>
Fund Cash Balances, December 31	<u>\$63,717</u>	<u>\$52,159</u>	<u>\$154</u>	<u>\$116,030</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Non-Expendable Trust</u>
Total Cash Receipts	<u>0</u>
Total Cash Disbursements	<u>0</u>
Total Receipts Over/(Under) Disbursements	<u>0</u>
Fund Cash Balances, January 1	<u>4,000</u>
Fund Cash Balances, December 31	<u><u>\$4,000</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Camden Township, Lorain County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, Camden Cemetery maintenance, and fire protection. The Township contracts with the Lorain County Sheriff for law enforcement services.

In December 1999, the Trustees passed a resolution to participate in the formation of a joint ambulance district with the following townships: Henrietta, New Russia and Pittsfield; Kipton Village and the City of Oberlin. Revenues to support the district will be generated through levies based on population and millage.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Road and Bridge Special Levy - This fund receives property tax money for constructing, maintaining, and repairing Township streets.

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

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to make improvements to Baird Road in 1999.

4. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Non-Expendable Trust Fund - A non-expendable trust fund for the Camden Township Fire Ladies Annual Memorial Day Parade.

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. The County Budget Commission must also approve the annual appropriation measure.

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 also 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 carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the Township.

2. POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Township maintains Certificates of Deposits used by the Non-expendable Trust Fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1998</u>	<u>1999</u>
Demand deposits	\$116,030	\$137,984
Certificates of Deposits	4,000	4,000
Total deposits and investments	\$120,030	\$141,984

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

Investments: Certificates of deposit held by the Township are maintained by the Township's financial institution.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$200,546	\$131,413	(\$69,133)
Special Revenue	273,812	207,555	(66,257)
Capital Projects	55,876	55,876	0
Total	\$530,234	\$394,844	(\$135,390)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,000	\$165,493	\$30,507
Special Revenue	251,492	216,034	35,458
Capital Projects	55,876	56,030	(154)
Total	\$503,368	\$437,557	\$65,811

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$165,054	\$134,876	(\$30,178)
Special Revenue	275,454	200,623	(74,831)
Capital Projects	3,637	2,000	(1,637)
Total	<u>\$444,145</u>	<u>\$337,499</u>	<u>(\$106,646)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$153,100	\$98,887	\$54,213
Special Revenue	229,721	173,792	55,929
Capital Projects	3,637	5,917	(2,280)
Total	<u>\$386,458</u>	<u>\$278,596</u>	<u>\$107,862</u>

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property with 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 Township.

5. CAPITAL LEASE

The Township maintains a capital lease for a fire truck which commenced in February 1996 with quarterly payments of \$1,122, and ends with the final payment in November 2000. In 2000, the Township will pay \$4,888 of which \$214 represents interest to complete the lease agreement.

In 1997, the Township purchased a parcel of land adjacent to the Township garage on Betts Road. The purchase was financed by a 10 year loan which commenced with a down payment of \$6,000 and is maintained with annual payments of \$2,445 with the final payment due in October 2007.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

5. CAPITAL LEASE (Continued)

Principal and interest payment requirements are as follows:

	Principal Amount	Interest Amount	Total Payment
2000	\$1,467	\$978	\$2,445
2001	1,564	881	2,445
2002	1,667	778	2,445
2003	1,777	668	2,445
2004	1,894	551	2,445
2005 - 2007	<u>6,465</u>	<u>870</u>	<u>7,335</u>
Total	<u>\$14,834</u>	<u>\$4,726</u>	<u>\$19,560</u>

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township is a member of the Ohio Government Risk Management Plan (The Authority) assumes the risk of loss up to the limits of the Township's policy. The following risks are covered by the Authority:

- Comprehensive property and general liability
- Vehicles
- Special fire claims only

The Township also provides health insurance coverage to full-time employees through the Lorain County health insurance plan.

8. SUBSEQUENT EVENTS

The Township ordered a new tractor and mower at a cost of \$54,385. The Township is expected to take delivery in May 2000. The expenditure will be paid in full at the time of delivery.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Camden Township
Lorain County
51651 Betts Road
Wellington, Ohio 44090-9133

To the Board of Trustees:

We have audited the financial statements of Camden Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 7, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 7, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 7, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CAMDEN TOWNSHIP

LORAIN 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
MAY 2, 2000**