



Dave Yost • Auditor of State

VILLAGE OF CAMDEN
PREBLE COUNTY

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Dave Yost • Auditor of State

Village of Camden
Preble County
56 North Main Street
P.O. Box 1
Camden, Ohio 45311

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Dave Yost
Auditor of State

November 9, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Camden
Preble County
56 North Main Street
P.O. Box 1
Camden, Ohio 45311

To the Village Council:

We have audited the accompanying financial statements of Village of Camden, Preble County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, 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 Village of Camden, Preble County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

November 9, 2011

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$221,799	\$10,148	\$231,947
Intergovernmental	102,999	98,862	201,861
Charges for Services	6,320		6,320
Fines, Licenses and Permits	12,238	171	12,409
Earnings on Investments	8,553	237	8,790
Miscellaneous	2,008		2,008
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	353,917	109,418	463,335
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Security of Persons and Property	220,502	315	220,817
Basic Utility Service	8,879	3,487	12,366
Transportation		99,401	99,401
General Government	126,732		126,732
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	356,113	103,203	459,316
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(2,196)	6,215	4,019
	<hr/>	<hr/>	<hr/>
Other Financing Receipts / (Disbursements):			
Transfers-Out	(21,564)		(21,564)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts / (Disbursements)	(21,564)	0	(21,564)
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(23,760)	6,215	(17,545)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	179,090	119,285	298,375
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$155,330	\$125,500	\$280,830
	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31	\$3,842	\$699	\$4,541
	<hr/>	<hr/>	<hr/>

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

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$358,445	\$0	\$358,445
Fines, Licenses and Permits	\$1,729		1,729
Total Operating Cash Receipts	<u>360,174</u>	<u>0</u>	<u>360,174</u>
Operating Cash Disbursements:			
Personal Services	90,157		90,157
Employee Fringe Benefits	27,633		27,633
Contractual Services	204,610		204,610
Supplies and Materials	149,337		149,337
Other	34,850		34,850
Total Operating Cash Disbursements	<u>506,587</u>	<u>0</u>	<u>506,587</u>
Operating Income/(Loss)	<u>(146,413)</u>	<u>0</u>	<u>(146,413)</u>
Non-Operating Cash Receipts:			
Special Assessments	278,000		278,000
Other Non-Operating Cash Receipts		18,757	18,757
Total Non-Operating Cash Receipts	<u>278,000</u>	<u>18,757</u>	<u>296,757</u>
Non-Operating Cash Disbursements:			
Capital Outlay	38,302		38,302
Redemption of Principal	70,556		70,556
Interest and Other Fiscal Charges	49,740		49,740
Other Non-Operating Cash Disbursements		14,251	14,251
Total Non-Operating Cash Disbursements	<u>158,598</u>	<u>14,251</u>	<u>172,849</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(27,011)	4,506	(22,505)
Transfers-In	21,564		21,564
Net Receipts Over/(Under) Disbursements	(5,447)	4,506	(941)
Fund Cash Balances, January 1	854,001	1,934	855,935
Fund Cash Balances, December 31	<u>\$848,554</u>	<u>\$6,440</u>	<u>\$854,994</u>
Reserve for Encumbrances, December 31	<u>\$370</u>	<u>\$0</u>	<u>\$370</u>

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

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<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	\$219,398	\$10,062	\$0	\$229,460
Intergovernmental	88,601	109,938	184,815	383,354
Charges for Services	4,977			4,977
Fines, Licenses and Permits	11,332	825		12,157
Earnings on Investments	5,850	81		5,931
Miscellaneous	2,224	400		2,624
	<u>332,382</u>	<u>121,306</u>	<u>184,815</u>	<u>638,503</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	193,601			193,601
Basic Utility Service	7,737	2,706		10,443
Transportation		116,165		116,165
General Government	124,362		184,815	309,177
	<u>325,700</u>	<u>118,871</u>	<u>184,815</u>	<u>629,386</u>
Total Cash Disbursements				
Total Receipts Over Disbursements	<u>6,682</u>	<u>2,435</u>	<u>0</u>	<u>9,117</u>
Other Financing Receipts / (Disbursements):				
Transfers-In	389	8,116		8,505
Transfers-Out	(15,062)	(9,539)		(24,601)
Advances-In	6,887			6,887
Advances-Out	(6,887)			(6,887)
	<u>(14,673)</u>	<u>(1,423)</u>	<u>0</u>	<u>(16,096)</u>
Total Other Financing Receipts / (Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,991)	1,012	0	(6,979)
Fund Cash Balances, January 1	187,081	118,273		305,354
Fund Cash Balances, December 31	<u>\$179,090</u>	<u>\$119,285</u>	<u>\$0</u>	<u>\$298,375</u>
Reserve for Encumbrances, December 31	<u>\$1,088</u>	<u>\$282</u>	<u>\$0</u>	<u>\$1,370</u>

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

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts:			
Charges for Services	\$370,386	\$0	\$370,386
Fines, Licenses and Permits	1,810		1,810
Miscellaneous	25		25
Total Operating Cash Receipts	372,221	0	372,221
Operating Cash Disbursements:			
Personal Services	87,670		87,670
Employee Fringe Benefits	25,234		25,234
Contractual Services	206,763		206,763
Supplies and Materials	32,893		32,893
Other	6,391		6,391
Total Operating Cash Disbursements	358,951	0	358,951
Operating Income	13,270	0	13,270
Non-Operating Cash Receipts:			
Special Assessments	281,152		281,152
Other Non-Operating Cash Receipts		9,823	9,823
Total Non-Operating Cash Receipts	281,152	9,823	290,975
Non-Operating Cash Disbursements:			
Capital Outlay	21,405		21,405
Redemption of Principal	160,346		160,346
Interest and Other Fiscal Charges	128,173		128,173
Other Non-Operating Cash Disbursements		11,056	11,056
Total Non-Operating Cash Disbursements	309,924	11,056	320,980
Excess of Receipts Under Disbursements Before Interfund Transfers and Advances	(15,502)	(1,233)	(16,735)
Transfers-In	16,096		16,096
Advances-In	6,887		6,887
Advances-Out	(6,887)		(6,887)
Net Receipts Over/(Under) Disbursements	594	(1,233)	(639)
Fund Cash Balances, January 1	853,407	3,167	856,574
Fund Cash Balances, December 31	\$854,001	\$1,934	\$855,935
Reserve for Encumbrances, December 31	\$708	\$0	\$708

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

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 Camden, Preble County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

The Village participates in one jointly governed organization. Note 9 to the financial statements provides additional information for these entities. This organization is the Camden Somers Fire and Rescue Protection District. They provide fire protection for the Village.

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. Cash and Deposits

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. 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 CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project funds:

West Hendricks Street Improvement Fund – This fund receives proceeds from the Ohio Public Works Commission. The proceeds are being used for the removal of concrete curbs, installation of curb and gutter, installation of storm sewer and storm inlets, pavement widening, and a new asphalt surface course.

4. 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 - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Refuse Fund - This fund receives charges for services from residents to cover refuse service costs.

Sewer Debt Service Fund - This fund received loan proceeds from the Ohio Water Development Authority to finance improvements at the wastewater treatment plant and an extension of the north area sewer. A utility surcharge recorded in this fund will repay these loans.

5. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court.

E. Budgetary Process

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

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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

2. 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 2010 and 2009 budgetary activity appears in Note 3.

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. 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 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 was as follows:

	<u>2010</u>	<u>2009</u>
Demand deposits	\$761,537	\$535,929
Certificates of deposit	374,287	618,381
Total deposits	<u>\$1,135,824</u>	<u>\$1,154,310</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$279,547	\$353,917	\$74,370
Special Revenue	473,857	109,418	(364,439)
Enterprise	901,500	659,738	(241,762)
Total	\$1,654,904	\$1,123,073	(\$531,831)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$475,144	\$381,519	\$93,625
Special Revenue	165,175	103,902	61,273
Capital Projects	361,767	0	361,767
Enterprise	740,851	665,555	75,296
Total	\$1,742,937	\$1,150,976	\$591,961

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$308,494	\$339,658	\$31,164
Special Revenue	121,050	129,422	8,372
Capital Projects	233,864	184,815	(49,049)
Enterprise	666,000	676,470	10,470
Total	\$1,329,408	\$1,330,365	\$957

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,826	\$348,737	\$152,089
Special Revenue	176,100	128,692	47,408
Capital Projects	233,864	184,815	49,049
Enterprise	744,435	676,470	67,965
Total	\$1,655,225	\$1,338,714	\$316,511

Contrary to Ohio law, appropriations exceeded available resources in the West Hendericks Street Improvement Fund by \$49,049 for the year ended December 31, 2009 and in the Sewer Fund by \$2,143 for the year ended December 31, 2010.

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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.

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.

5. Debt

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #2711	\$304,754	2.20%
Oho Water Development Authority Loan #2712	\$408,767	3.50%
Ohio Water Development Authority Loan #4410	169,447	4.29%
Ohio Water Development Authority Loan #4676	667,948	4.12%
Ohio Water Development Authority Loan #4751	1,322,818	4.47%
Ohio Public Wroks Commission Loan	<u>202,500</u>	0.00%
Total	<u><u>\$3,076,234</u></u>	

The Ohio Water Development Authority (OWDA) Loan #2711 relates to wastewater treatment plant improvements that were mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$35,751 including interest over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan #2712 relates to the North Area Sanitary Sewer Line extension. The loan will be repaid in semiannual installments of \$29,513 including interest over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan #4410 relates to the water system improvements. The loan will be repaid in semiannual installments of \$5,438 including interest over 30 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan #4676 relates to the water system improvements. The loan will be repaid in semiannual installments of \$23,739 including interest over 30 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan #4751 relates to the water system improvements. The loan will be repaid in semiannual installments of \$44,193 including interest over 30 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) Loan #CT63J relates to the water system improvements. The loan will be repaid in semiannual installments of \$5,625 over 30 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year ending December 31:	OWDA Loan #2711	OWDA Loan #2712	OWDA Loan #4410	OWDA Loan #4676
2011	\$71,502	\$59,026	\$10,877	\$41,228
2012	71,502	59,026	10,877	41,228
2013	71,502	59,026	10,877	41,228
2014	71,502	59,026	10,877	41,228
2015	35,751	29,513	10,877	41,228
2016-2020			54,385	206,140
2021-2025			54,385	206,140
2026-2030			54,385	206,140
2031-2035			54,385	206,140
2036-2040			10,877	82,456
Total	<u>\$321,759</u>	<u>\$265,617</u>	<u>\$108,770</u>	<u>\$412,280</u>

Year ending December 31:	OWDA Loan #4751	OPWC Loan #CT63J
2011	\$84,051	\$11,250
2012	84,051	11,250
2013	84,051	11,250
2014	84,051	11,250
2015	84,051	11,250
2016-2020	420,255	56,250
2021-2025	420,225	56,250
2026-2030	420,225	33,750
2031-2035	420,225	
2036-2040	210,127	
Total	<u>\$2,101,185</u>	<u>\$112,500</u>

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. Retirement Systems

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OP&F participants contributed 10% of their wages. For 2010 and 2009, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

7. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

8. Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

9. Jointly Governed Organizations

The Camden-Somers Fire and Rescue Protection District, Preble County, (the District) is a jointly governed organization established by resolution passed by the Village of Camden January 7, 2002 and by Somers Township January 14, 2002, to unite the entities in the management of the District which provides fire, ambulance, emergency medical, and rescue services to the residents within these two areas. The District is governed by a Board made up of three representatives appointed by the Village of Camden and three representatives appointed by Somers Township, known as the Camden Somers Fire and Rescue Protection District Board of Trustees. Financial information about the District can be obtained from the District at 111 West Central Avenue, Camden, Ohio 45311.

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Dave Yost • Auditor of State

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

Village of Camden
Preble County
56 North Main Street
P.O. Box 1
Camden, Ohio 45311

To the Village Council:

We have audited the financial statements of the Village of Camden, Preble County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 9, 2011 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-02.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated November 9, 2011.

We intend this report solely for the information and use of the audit committee, management, and Village Council. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

[DATE Always the same date as financial opinion]

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-01

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The Village lacks management oversight in the posting of financial activity. This oversight is illustrated by the following:

- The Village improperly posted homestead and rollback revenue of \$27,881 to tax revenue rather than intergovernmental revenue in 2009 in the General Fund.
- The Village improperly posted a training grant in the amount of \$600 to miscellaneous revenue rather than intergovernmental revenue in 2009 in the General Fund.
- The Village posted on-behalf OPWC grant receipts of \$186,864 to Special Revenue-State Grant and the corresponding expenditures to transportation. The on-behalf OPWC grant receipt should have been posted to Capital Project Fund in the amount of \$184,815 and the corresponding expenditures should have been posted to capital outlay in 2009.
- The Village posted an OPWC receipt in the amount of \$2,049 to miscellaneous revenue rather than intergovernmental receipts in the Street Fund in 2009.
- The Village improperly posted homestead and rollback revenue of \$23,208 to tax revenue rather than intergovernmental revenue in 2010 in the General Fund.
- The Village improperly posted public utility reimbursement revenue in the amount of \$1,105 to charges for services rather than intergovernmental revenue in 2010 in the General Fund.
- The Village improperly posted a training grant and public utility reimbursement receipt totaling \$919 to miscellaneous revenue rather than intergovernmental revenue in 2010 in the General Fund.
- The Village improperly posted street lighting expenditures to the State Highway Fund (Transportation) in the amount of \$6,000 and the Permissive Motor Vehicle License Tax Fund (Transportation) in the amount of \$14,025 in 2009.
- The Village improperly posted debt payments totaling \$11,250 in 2009 and \$11,250 in 2010 to Other Disbursements instead of Redemption of Principal in the Water Operating Fund.

Adjustments were posted to the financial statements and Village ledgers, where appropriate, to correct the above misclassifications.

The lack of proper management oversight could result in material misstatements relating to financial data. To improve record keeping and accountability of receipts and expenditures we recommend that all activity be posted properly. For guidance, the Village should utilize the Village Officer's Handbook.

FINDING NUMBER 2010-02

Material Noncompliance

Ohio Revised Code, 5705.36 (A)(4), states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

Estimated receipts exceeded actual receipts in the West Hendricks Street Improvement Fund in 2009 and in the Sewer Fund in 2010. Furthermore, the amount of the deficiency reduced available resources below the current level of appropriations.

Fund	Appropriations	Available Resources	Variance
West Hendricks Street Improvement (2009)	\$233,864	\$184,815	\$49,049
Sewer Fund (2010)	157,946	155,803	2,143

Failure to properly obtain amended certificates when the amount of deficiency will reduce available resources below the current level of appropriation can result in overspending and negative fund balances. Failure to properly post budgetary amounts to the Village's accounting system could result in an inability to monitor activity. We recommend that the Village use correct amounts on the budgetary documents and monitor estimated and actual receipts and obtain amendments when required.

We did not receive responses from Officials' to the findings above.

**VILLAGE OF CAMDEN
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Lack of management oversight in accounting for various transactions	No	Not Corrected – Reissued as Finding 2010-01
2008-002	Failure to record Law Enforcement Trust Fund activity on the Village books	No	Partially Corrected – Reissued as a Management Letter comment
2008-003	Ohio Rev. Code Sec. 2925.03: Failure to record Drug Fund activity on the Village books	Yes	
2008-004	Ohio Rev. Code Sec. 5705.41(B): Expenditures plus outstanding encumbrances exceeded appropriations	Yes	

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VILLAGE OF CAMDEN

PREBLE 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
DECEMBER 22, 2011