



Mary Taylor, CPA
Auditor of State

**CAMDEN TOWNSHIP
LORAIN COUNTY**

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CAMDEN TOWNSHIP
LORAIN COUNTY

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Mary Taylor, CPA

Auditor of State

Camden Township
Lorain County
15374 Baird Road
Oberlin, Ohio 44074

To the Board of Trustees:

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 a February 2, 2005 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 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.

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Mary Taylor, CPA
Auditor of State

February 16, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Camden Township
Lorain County
15374 Baird Road
Oberlin, Ohio 44074

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Township, Lorain County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements. For the year ending December 31, 2004, we audited the Township's regulatory accounting basis financial statements. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 Township 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 Township 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(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, the Township has prepared the financial statements for fiscal year ended December 31, 2004 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements for the year ended December 31, 2004. Since this Township does not use GAAP to measure financial statement amounts, 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 year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004 or its changes in financial position for the year 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 Camden Township, Lorain County, as of December 31, 2004, and its combined cash receipts and disbursements for the year then ended in conformity with the accounting basis Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township 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.

For the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements for the year ended December 31, 2005 referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Township, Lorain County, Ohio, as of December 31, 2005, and the respective changes in the cash basis financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, Road Levy, Fire Levy, and FEMA Fire Grant Funds thereof for the year then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

Management's discussion and analysis, for the year ended December 31, 2005, is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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Mary Taylor, CPA
Auditor of State

February 16, 2007

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**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

This discussion and analysis of the Camden Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$138,768, or 42% percent from the prior year. In 2004 the General Fund received \$75,000 from the Road Levy Fund to be redistributed according to the demands of the 2002-2003 Audit. This makes it look as though the General Fund received less revenue in 2005. Without the \$75,000 transferred into the General Fund, 2005 revenues were \$4,457 more than 2004. Property taxes increased by 7% between 2004 and 2005. The Fire Department received a FEMA Grant for a truck for \$135,292. The Ohio Public Works Commission (OPWC) paid \$52,736 of the Gifford Road resurfacing project.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township reports all services provided as Governmental Activities. State and federal grants and property taxes finance most of these activities.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds – All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds in 2005 are the General, Gasoline Tax, Road and Bridge, Road Levy, Fire Levy, FEMA Fire Grant, and the Public Works Projects Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no proprietary funds.

Fiduciary Funds- Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the Government-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township has no fiduciary funds.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a modified cash basis:

(Table 1)

Net Assets

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Assets		
Cash and Cash Equivalents	<u>\$466,133</u>	<u>\$327,365</u>
Total Assets	<u><u>\$466,133</u></u>	<u><u>\$327,365</u></u>
Net Assets		
Restricted for:		
Other Purposes	\$377,687	\$246,742
Unrestricted	<u>88,446</u>	<u>80,623</u>
Total Net Assets	<u><u>\$466,133</u></u>	<u><u>\$327,365</u></u>

As mentioned previously, net assets of governmental activities increased \$138,768 or 42 percent during 2005. The primary reasons contributing to the increase in cash balances are as follows:

- Unanticipated growth in grants for fire equipment.
- A \$10,000 grant for the Recycle Program covering salaries, repairs and awards.
- State assistance providing for the maintenance and repair of Township roads.

Table 2 reflects the changes in net assets on a cash basis in 2005. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

(Table 2)
Changes in Net Assets

	2005 Governmental Activities
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$9,086
Operating Grants and Contributions	119,790
Capital Grants and Contributions	188,037
Total Program Receipts	316,913
General Receipts:	
Property Taxes	277,203
Grants and Entitlements not Restricted to Specific Programs	45,568
Earnings on Investments	2,501
Miscellaneous	15,086
Total General Receipts	340,358
Total Receipts	657,271
Disbursements:	
General Government	111,987
Public Safety	24,803
Public Works	196,867
Health	11,049
Debt Service:	
Principal	6,082
Interest	2,261
Capital Outlay	165,454
Total Disbursements	518,503
Increase in Net Assets	138,768
Net Assets, Beginning of Year	327,365
Net Assets, End of Year	\$466,133

Program receipts represent 48% of total receipts and are comprised mostly of grants and contributions received for road maintenance and repair projects.

General receipts represent 52% of the Township's total receipts, and of the general receipts amount, 81% are property and other local tax receipts. Unrestricted grants and entitlements make up 13% of the Township's general receipts. Other receipts, such as those for interest and miscellaneous receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township (salaries, benefits, utilities, etc). These costs represent 22% of Governmental Activities expenses.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

Public Safety are the costs of fire protection; Public Works are road related costs; Health are the county health department costs; Capital Outlay represents the costs of major road improvements and other construction projects.

Governmental Activities

If you look at the Statement of Activities on page 14, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. (In 2005 the Fire Department received a FEMA grant for \$135,292 for a new truck which makes this a major disbursement for this year only.) The normal major program disbursements for governmental activities are for Public Works (roads) and General Government, which account for 38 and 22 percent of all governmental disbursements, not including the FEMA Grant. The third column of the Statement shows grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$111,987	(\$69,531)
Public Safety	24,803	111,923
Public Works	196,867	(61,286)
Health	11,049	(8,899)
Debt Service:		
Principal	6,082	(6,082)
Interest	2,261	(2,261)
Capital Outlay	165,454	(165,454)
Total Expenses	\$518,503	(\$201,590)

The Township's Funds

Total governmental funds had receipts of \$657,271 and disbursements of \$518,503. The greatest change within governmental funds occurred within the Road and Bridge Fund. The fund balance of the Road and Bridge Fund increased \$60,641 as a result of less spending on road and bridge maintenance in 2005 than in 2004.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2005, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were the same as original budgeted receipts. Final budgeted receipts were \$142,098, while actual receipts were \$132,864.

Final disbursements were budgeted at \$155,100 while actual disbursements were \$118,454.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2005, the Township's outstanding debt included \$58,755 principal and interest for a loan for the 303 Building Complex, and \$3,991 in principal for a no-interest OPWC loan. For further information regarding the Township's debt, refer to Note 11 to the Basic Financial Statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Cheryl Parrish, Fiscal Officer, Camden Township, 15374 Baird Road, Oberlin, Ohio 44074.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Net Assets - Cash Basis
December 31, 2005**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$466,133
<i>Total Assets</i>	<u>466,133</u>
Net Assets	
Restricted for:	
Other Purposes	377,687
Unrestricted	88,446
<i>Total Net Assets</i>	<u>\$466,133</u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Activities - Cash Basis
For the Year Ended December 31, 2005**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
General Government	\$111,987	\$5,502	\$36,945	\$9	(\$69,531)
Public Safety	24,803	1,434	0	135,292	111,923
Public Works	196,867	0	82,845	52,736	(61,286)
Health	11,049	2,150	0	0	(8,899)
Debt Service:					
Principal	6,082	0	0	0	(6,082)
Interest	2,261	0	0	0	(2,261)
Capital Outlay	165,454	0	0	0	(165,454)
<i>Total Governmental Activities</i>	<u>\$518,503</u>	<u>\$9,086</u>	<u>\$119,790</u>	<u>\$188,037</u>	<u>(201,590)</u>
General Receipts					
Property Taxes					277,203
Grants and Entitlements not Restricted to Specific Programs					45,568
Earnings on Investments					2,501
Miscellaneous					15,086
<i>Total General Receipts</i>					<u>340,358</u>
Change in Net Assets					138,768
<i>Net Assets Beginning of Year</i>					<u>327,365</u>
<i>Net Assets End of Year</i>					<u><u>\$466,133</u></u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005**

	General	Gasoline Tax	Road and Bridge	Road Levy	Fire Levy	FEMA Fire Grant	Public Works Projects	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$87,446	\$82,598	\$81,112	\$83,118	\$76,247	\$0	\$0	\$55,612	\$466,133
<i>Total Assets</i>	<u>\$87,446</u>	<u>\$82,598</u>	<u>\$81,112</u>	<u>\$83,118</u>	<u>\$76,247</u>	<u>\$0</u>	<u>\$0</u>	<u>\$55,612</u>	<u>\$466,133</u>
Fund Balances									
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	\$87,446	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,446
Special Revenue Funds	0	82,598	81,112	83,118	76,247	0	0	55,612	378,687
<i>Total Fund Balances</i>	<u>\$87,446</u>	<u>\$82,598</u>	<u>\$81,112</u>	<u>\$83,118</u>	<u>\$76,247</u>	<u>\$0</u>	<u>\$0</u>	<u>\$55,612</u>	<u>\$466,133</u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005**

	General	Gasoline Tax	Road and Bridge	Road Levy	Fire Levy	FEMA Fire Grant	Public Works Projects	Other Governmental Funds	Total
Receipts									
Property and Other Local Taxes	\$67,858	\$0	\$59,920	\$71,987	\$48,474	\$0	\$0	\$28,964	\$277,203
Licenses, Permits and Fees	3,070	0	0	0	0	0	0	6,016	9,086
Intergovernmental	56,547	76,688	7,446	8,929	6,028	135,292	52,736	9,729	353,395
Earnings on Investments	1,925	479	0	0	0	0	0	97	2,501
Miscellaneous	3,464	0	0	8	0	0	0	11,614	15,086
Total Receipts	132,864	77,167	67,366	80,924	54,502	135,292	52,736	56,420	657,271
Disbursements									
Current:									
General Government	109,017	347	721	1,203	0	0	0	699	111,987
Public Safety	0	0	0	0	792	0	0	24,011	24,803
Public Works	0	74,939	6,004	59,924	0	0	52,736	3,264	196,867
Health	0	0	0	0	0	0	0	11,049	11,049
Debt Service:									
Principal Retirement	6,082	0	0	0	0	0	0	0	6,082
Interest and Fiscal Charges	2,261	0	0	0	0	0	0	0	2,261
Capital Outlay	1,094	85	0	0	27,639	135,292	0	1,344	165,454
Total Disbursements	118,454	75,371	6,725	61,127	28,431	135,292	52,736	40,367	518,503
Excess of Receipts Over (Under) Disbursements	14,410	1,796	60,641	19,797	26,071	0	0	16,053	138,768
Other Financing Sources (Uses)									
Transfers In	0	0	0	0	0	0	0	5,099	5,099
Transfers Out	(5,099)	0	0	0	0	0	0	0	(5,099)
Total Other Financing Sources (Uses)	(5,099)	0	0	0	0	0	0	5,099	0
Net Change in Fund Balances	9,311	1,796	60,641	19,797	26,071	0	0	21,152	138,768
Fund Balances Beginning of Year	78,135	80,802	20,471	63,321	50,176	0	0	34,460	327,365
Fund Balances End of Year	\$87,446	\$82,598	\$81,112	\$83,118	\$76,247	\$0	\$0	\$55,612	\$466,133

See accompanying notes to the basic financial statements

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$74,062	\$74,062	\$67,858	(\$6,204)
Licenses, Permits and Fees	15,829	15,829	3,070	(12,759)
Intergovernmental	39,256	39,256	56,547	17,291
Earnings on Investments	0	0	1,925	1,925
Miscellaneous	12,951	12,951	3,464	(9,487)
<i>Total Receipts</i>	<u>142,098</u>	<u>142,098</u>	<u>132,864</u>	<u>(9,234)</u>
Disbursements				
Current:				
General Government	136,100	140,100	109,017	31,083
Debt Service:				
Principal Retirement	10,000	10,000	6,082	3,918
Interest and Fiscal Charges	3,000	3,000	2,261	739
Capital Outlay	2,000	2,000	1,094	906
<i>Total Disbursements</i>	<u>151,100</u>	<u>155,100</u>	<u>118,454</u>	<u>36,646</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,002)</u>	<u>(13,002)</u>	<u>14,410</u>	<u>27,412</u>
Other Financing Sources (Uses)				
Transfers Out	(25,000)	(25,000)	(5,099)	19,901
<i>Total Other Financing Sources (Uses)</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(5,099)</u>	<u>19,901</u>
<i>Net Change in Fund Balance</i>	<u>(34,002)</u>	<u>(38,002)</u>	<u>9,311</u>	<u>47,313</u>
<i>Fund Balance Beginning of Year</i>	<u>78,135</u>	<u>78,135</u>	<u>78,135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$44,133</u>	<u>\$40,133</u>	<u>\$87,446</u>	<u>\$47,313</u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$52,000	\$52,000	\$76,688	\$24,688
Earnings on Investments	0	0	479	479
<i>Total Receipts</i>	<u>52,000</u>	<u>52,000</u>	<u>77,167</u>	<u>25,167</u>
Disbursements				
Current:				
General Government	0	349	347	2
Public Works	35,200	90,727	74,939	15,788
Capital Outlay	10,000	8,400	85	8,315
<i>Total Disbursements</i>	<u>45,200</u>	<u>99,476</u>	<u>75,371</u>	<u>24,105</u>
<i>Net Change in Fund Balance</i>	<u>6,800</u>	<u>(47,476)</u>	<u>1,796</u>	<u>49,272</u>
<i>Fund Balance Beginning of Year</i>	<u>80,802</u>	<u>80,802</u>	<u>80,802</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$87,602</u></u>	<u><u>\$33,326</u></u>	<u><u>\$82,598</u></u>	<u><u>\$49,272</u></u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$61,860	\$65,560	\$59,920	(\$5,640)
Intergovernmental	3,700	0	7,446	7,446
<i>Total Receipts</i>	<u>65,560</u>	<u>65,560</u>	<u>67,366</u>	<u>1,806</u>
Disbursements				
Current:				
General Government	800	800	721	79
Public Works	23,700	23,700	6,004	17,696
<i>Total Disbursements</i>	<u>24,500</u>	<u>24,500</u>	<u>6,725</u>	<u>17,775</u>
<i>Net Change in Fund Balance</i>	<u>41,060</u>	<u>41,060</u>	<u>60,641</u>	<u>19,581</u>
<i>Fund Balance Beginning of Year</i>	<u>20,471</u>	<u>20,471</u>	<u>20,471</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$61,531</u></u>	<u><u>\$61,531</u></u>	<u><u>\$81,112</u></u>	<u><u>\$19,581</u></u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road Levy Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$74,031	\$78,506	\$71,987	(\$6,519)
Intergovernmental	4,475	0	8,929	8,929
Miscellaneous	0	0	8	8
<i>Total Receipts</i>	<u>78,506</u>	<u>78,506</u>	<u>80,924</u>	<u>2,418</u>
Disbursements				
Current:				
General Government	1,500	1,500	1,203	297
Public Works	82,000	82,000	59,924	22,076
<i>Total Disbursements</i>	<u>83,500</u>	<u>83,500</u>	<u>61,127</u>	<u>22,373</u>
<i>Net Change in Fund Balance</i>	<u>(4,994)</u>	<u>(4,994)</u>	<u>19,797</u>	<u>24,791</u>
<i>Fund Balance Beginning of Year</i>	<u>63,321</u>	<u>63,321</u>	<u>63,321</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$58,327</u></u>	<u><u>\$58,327</u></u>	<u><u>\$83,118</u></u>	<u><u>\$24,791</u></u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$53,082	\$53,082	\$48,474	(\$4,608)
Intergovernmental	3,021	0	6,028	6,028
<i>Total Receipts</i>	<u>56,103</u>	<u>53,082</u>	<u>54,502</u>	<u>1,420</u>
Disbursements				
Current:				
Public Safety	750	803	792	11
Capital Outlay	100,000	27,639	27,639	0
<i>Total Disbursements</i>	<u>100,750</u>	<u>28,442</u>	<u>28,431</u>	<u>11</u>
<i>Net Change in Fund Balance</i>	<u>(44,647)</u>	<u>24,640</u>	<u>26,071</u>	<u>1,431</u>
<i>Fund Balance Beginning of Year</i>	<u>50,176</u>	<u>50,176</u>	<u>50,176</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,529</u></u>	<u><u>\$74,816</u></u>	<u><u>\$76,247</u></u>	<u><u>\$1,431</u></u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
FEMA Fire Grant Fund
For the Year Ended December 31, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$135,292	\$135,292	\$135,292	\$0
<i>Total Receipts</i>	<u>135,292</u>	<u>135,292</u>	<u>135,292</u>	<u>0</u>
Disbursements				
Capital Outlay	135,292	135,292	135,292	0
<i>Total Disbursements</i>	<u>135,292</u>	<u>135,292</u>	<u>135,292</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
All Governmental and Fiduciary Types
For the Year Ended December 31, 2004**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Non-Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$63,024	\$194,554	\$0	\$0	\$257,578
Intergovernmental	57,291	183,330	38,968	0	279,589
Charges for Services	0	6,000	0	0	6,000
Licenses, Permits, and Fees	6,798	4,411	0	0	11,209
Earnings on Investments	234	44	0	0	278
Other Revenue	1,060	2,725	0	0	3,785
Total Cash Receipts	128,407	391,064	38,968	0	558,439
Cash Disbursements:					
Current:					
General Government	92,006	1,547	0	0	93,553
Public Safety	0	21,726	0	0	21,726
Public Works	0	112,917	0	0	112,917
Health	0	8,114	0	0	8,114
Debt Service:					
Principal Retirement	13,905	0	0	0	13,905
Interest and Fiscal Charges	1,870	0	0	0	1,870
Capital Outlay	92,672	89,427	43,957	0	226,056
Total Cash Disbursements	200,453	233,731	43,957	0	478,141
Total Receipts Over/(Under) Disbursements	(72,046)	157,333	(4,989)	0	80,298
Other Financing Receipts and (Disbursements):					
Transfers In	75,000	3,480	0	0	78,480
Loan Proceeds	0	0	4,989	0	4,989
Transfers Out	(8,045)	(75,000)	0	0	(83,045)
Total Other Financing Receipts/(Disbursements)	66,955	(71,520)	4,989	0	424
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,091)	85,813	0	0	80,722
Fund Cash Balances, January 1, 2004	83,226	159,417	0	4,000	246,643
Fund Cash Balances, December 31, 2004	\$78,135	\$245,230	\$0	\$4,000	\$327,365
Reserve for Encumbrances, December 31, 2004	\$0	\$0	\$0	\$0	\$0

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

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**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 1 – REPORTING ENTITY

Camden Township, Lorain County, Ohio, (the Township) 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 Township is directed by a publicly-elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

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

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads, cemetery maintenance, fire protection, and emergency medical services. Police protection is provided by the Lorain County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

There are no Component Units affiliated with the Township.

C. Public Entity Risk Pools

The Township participates in one public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As described further in Note 2C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements for fiscal year 2005 consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The financial statements for fiscal year 2004 consist of a statement of cash receipts, cash disbursements, and changes in fund cash balances.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The Township's funds are all classified as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. For fiscal year 2005, the Township's major governmental funds are as follows:

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. It is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Gasoline Tax Fund—This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads and bridges.

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

Road Levy Fund—This fund receives property tax money for constructing, maintaining, and repairing Township roads.

Fire Levy Fund—This fund receives property tax money for providing fire protection services.

FEMA Grant Fund—This fund received federal grant money for the purchase of a new fire truck.

Ohio Public Works Commission (OPWC) Project Fund—This fund accounts for an Issue II grant received from the State of Ohio for repairs and reconstruction of various Township roads.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund is for the Camden Fire Ladies Annual Memorial Day Parade.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

For the year ending December 31, 2004, the Township's 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.

For the year ending December 31, 2005, the Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. During fiscal year 2005, interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.”

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2005 and 2004, the Township invested in Certificates of Deposits.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$1,925 which includes \$1,456 assigned from other Township funds. Interest receipts credited to the General Fund during 2004 was \$234 which includes \$168 assigned from other Township funds.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. The Township did not make any advances in fiscal years 2004 or 2005.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township’s cash basis of accounting.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Township roads.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The amount of net assets restricted by enabling legislation as of December 31, 2005 is \$377,687.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

NOTE 3 – CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

During fiscal year 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. During fiscal year 2005, the Township has implemented the cash basis of accounting described in Note 2 which revised the Township's financial presentation to be comparable to the requirements of Governmental Accounting Standard Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. For 2004, the Township implemented GASB Statement No. 40, "Deposits and Investment Risk Disclosures." This statement establishes new disclosure requirements for risks associated with deposits and investments.

In accordance with this change in accounting basis for fiscal year ending December 31, 2005, the Township has reclassified the non-expendable trust fund to a special revenue fund which is presented as an other governmental fund on the fund financial statements.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

**NOTE 3 – CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY
(Continued)**

	Other	
	Governmental	Expendable
	Funds	Trust Fund
Fund Balance January 1, 2005	\$30,460	\$4,000
Fund Reclassification	4,000	(4,000)
Adjusted Fund Balance January 1, 2005	\$34,460	\$0

NOTE 4 – COMPLIANCE

Compliance

The following funds had expenditures in excess of appropriations as of December 31, 2004, in violation of Section 5705.41(B):

Fund	Appropriations	Expenditures	Variance
Public Works Commission Project Fund	\$0	\$43,957	(\$43,957)
Road and Bridge Fund	\$90,000	\$92,666	(\$2,666)

Management has indicated the authorization of appropriations will be properly monitored to ensure no future violations.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Road Levy Fund, Fire Levy Fund and FEMA Fund for fiscal year 2005 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township did not have any outstanding encumbrances at year-end (budgetary basis) for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Road Levy Fund, Fire Levy Fund and FEMA Fund.

For fiscal year ending December 31, 2004, the Township reported the following budgetary activity regarding budgeted receipts and appropriations.

2004 Budgeted vs. Actual Budgetary Basis Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$227,654	\$203,407	(\$24,247)
Special Revenue	381,376	394,544	13,168
Capital Projects	43,957	43,957	0
Non-Expendable Trust	0	0	0
Total	\$652,987	\$641,908	(\$11,079)

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (Continued)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$250,000	\$208,498	\$41,502
Special Revenue	453,087	308,731	144,356
Capital Projects	0	43,957	(43,957)
Non-Expendable Trust	0	0	0
Total	\$703,087	\$561,186	\$141,901

NOTE 6 – DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 6 – DEPOSITS AND INVESTMENTS (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end 2005, the carrying amount of the Township's deposits was \$466,133 and the bank balance was \$475,740. Of the bank balance \$375,740 was uninsured and uncollateralized. At fiscal year end 2004, the carrying amount of the Township's deposits was \$327,365 and the bank balance was \$351,881. Of the bank balance \$251,881 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township does not have an investment policy beyond the requirements of state statute. Ohio law addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 6 – DEPOSITS AND INVESTMENTS (Continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

NOTE 7 – PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Real property tax receipts received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 and 2004 represent the collection of 2004 and 2003 taxes respectively. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2005, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 and 2004 (other than public utility property) represent the collection of 2005 and 2004 taxes respectively. Tangible personal property taxes received in 2005 and 2004 were levied after October 1, 2004 and 2003 respectively, on the true value as of December 31, 2004 and 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 7 – PROPERTY TAXES (Continued)

The full tax rate for all Township operations for the year ended December 31, 2005 (2006) was \$12.80 and for December 31, 2004 was \$13.23, per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 (2006) property tax receipts were based are as follows:

	<u>2005</u>	<u>2004</u>
Real Property		
Residential	\$21,694,200	21,143,330
Agricultural	3,799,860	3,841,260
Commercial/Industrial/Mineral	6,241,320	5,485,790
Tangible Personal Property	159,045	167,160
Business		
Public Utility	<u>885,520</u>	<u>883,340</u>
Total Assessed Value	<u>32,779,945</u>	<u>31,520,880</u>

NOTE 8 – RISK MANAGEMENT

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 8 – RISK MANAGEMENT (Continued)

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004:

<u>Casualty Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	<u>(12,344,576)</u>	<u>(11,086,379)</u>
Retained earnings	<u>\$18,141,062</u>	<u>\$17,046,241</u>
<u>Property Coverage</u>	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	<u>(1,406,031)</u>	<u>(543,176)</u>
Retained earnings	<u>\$7,771,765</u>	<u>\$7,045,167</u>

At December 31, 2005 and 2004, respectively, casualty coverage liabilities noted above include approximately \$11.6 million and \$10.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$24,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 8 – RISK MANAGEMENT (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Township Contributions to OTARMA</u>	
2003	\$9,554
2004	\$10,566
2005	\$11,913

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2005 and December 31, 2004, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

Ohio Public Employees Retirement System (Continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$9,846, \$8,629, and \$10,428 respectively. The full amount has been contributed for 2005, 2004 and 2003.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans as of December 31, 2005 was 376,109. Actual employer contributions for 2005 and 2004 which were used to fund postemployment benefits were \$4,124 and \$3,614 respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004
(Continued)**

NOTE 11 – DEBT

The Township's long-term debt activity for the year ended December 31, 2005, was as follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Governmental Activities						
OPWC Loan	0.00%	\$4,989	\$0	\$998	\$3,991	\$998
303 Complex Loan	4.25%	54,453	0	5,084	49,369	5,302
Total		<u>\$59,442</u>	<u>\$0</u>	<u>\$6,082</u>	<u>\$53,360</u>	<u>\$6,300</u>

The Township's long-term debt activity for the year ended December 31, 2004, was as follows:

	Interest Rate	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004	Due Within One Year
Governmental Activities						
OPWC Loan	0.00%	\$0	\$4,989	\$0	4,989	\$998
Land Purchase Note	6.50%	\$8,358	\$0	\$8,358	\$0	\$0
303 Complex Loan	4.25%	0	60,000	5,547	54,453	5,084
Total		<u>\$8,358</u>	<u>\$64,989</u>	<u>\$13,905</u>	<u>\$59,442</u>	<u>\$5,084</u>

The OPWC loan was for a Baird Road resurfacing project. The 303 Complex Loan represents a loan for the purchase of a building. The Township made an \$80,000 down payment in February 2004, and the loan represents the remainder of the purchase price, which was paid directly to the seller on behalf of the Township by the bank. Because the Township did not directly receive the funds from the bank, the loan proceeds do not appear as an "other financing source" in the financial statements.

The following is a summary of the Township's future annual debt service requirements:

Year	Principal	Interest
2006	\$6,300	\$2,042
2007	6,527	1,815
2008	6,765	1,577
2009	7,013	1,330
2010	6,272	1,071
2011 – 2015	20,483	1,550
Totals	<u>\$53,360</u>	<u>\$9,385</u>

NOTE 12- SUBSEQUENT EVENTS

In March 2006, the Township purchased a new fire truck, and accordingly, entered into a 3-year loan agreement in the amount of \$104,000. The loan has an interest rate of 4.7%.

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Mary Taylor, CPA

Auditor of State

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

Camden Township
Lorain County
15374 Baird Road
Oberlin, Ohio 44074

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Township, Lorain County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements. We have also audited the accompanying financial statements of Camden Township, Lorain County, Ohio (the Township) as of and for the year ended December 31, 2004. We have issued our report thereon dated February 16, 2007, wherein we noted for fiscal year ended December 31, 2005, the Township revised its financial statement presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. We also noted for fiscal year ended December 31, 2004, the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 Township's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated February 16, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Township's management dated February 16, 2007, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 16, 2007

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2005-001
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Material Citation

Expenditures Exceeding Appropriations

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from making expenditures unless it has been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Board of Trustees may not exceed appropriations at the legal level for all funds. The following fund had expenditures in excess of appropriations as of December 31, 2004 at the fund level:

Fund	Appropriations	Expenditures	Variance
Public Works Commission Project Fund	\$0	\$43,957	(\$43,957)

The noncompliance was due to the fact that the Clerk could not provide us with an ordinance authorizing the appropriations that were listed in the system. As a result, the appropriations that should have been listed in the system should have been those in effect at April 2, 2004, as the Board of Trustees did not authorize a change in appropriations since then.

We recommend the Township verify that all expenditures and encumbrances have proper authorization prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally to be budgeted to maintain compliance with the above requirements.

Officials' Response:

Management has exercised their option to not respond to the finding.

**CAMDEN TOWNSHIP
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-001	ORC 505.24 (C) Trustee Salaries; Township charged Trustee salaries to Gasoline Tax Fund, without resolution allowing the payment from this fund.	Fully Corrected.	
2003-002	Proper Posting of Receipts; Township misposted receipts requiring adjustments to be made to the financial statements.	Fully Corrected.	



Mary Taylor, CPA
Auditor of State

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 22, 2007**