



**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF CAMDEN  
PREBLE COUNTY

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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 the Village of Camden, Preble County, Ohio (the Village), as of and for the years ended December 31, 2001, and 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2001, and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

August 22, 2002

**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, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$56,039	\$18,974		\$75,013
Intergovernmental Receipts	103,988	99,598	\$44,114	247,700
Charges for Services	6,810	68,773		75,583
Fines, Licenses, and Permits	7,929			7,929
Earnings on Investments	16,691	375		17,066
Miscellaneous	21,822	7,290		29,112
<b>Total Cash Receipts</b>	<u>213,279</u>	<u>195,010</u>	<u>44,114</u>	<u>452,403</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	162,336	27,403		189,739
Public Health Services	3,361	64,817		68,178
Leisure Time Activities		17,075		17,075
Transportation		129,106		129,106
General Government	55,785		27	55,812
Capital Outlay	14,746	11,160	44,114	70,020
<b>Total Cash Disbursements</b>	<u>236,228</u>	<u>249,561</u>	<u>44,141</u>	<u>529,930</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(22,949)</u>	<u>(54,551)</u>	<u>(27)</u>	<u>(77,527)</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In	1,660	24,825		26,485
Transfers-Out	(24,825)	(1,660)		(26,485)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(23,165)</u>	<u>23,165</u>	<u>0</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(46,114)</u>	<u>(31,386)</u>	<u>(27)</u>	<u>(77,527)</u>
<b>Fund Cash Balances, January 1</b>	<u>106,585</u>	<u>63,142</u>	<u>27</u>	<u>169,754</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$60,471</b></u>	<u><b>\$31,756</b></u>	<u><b>\$0</b></u>	<u><b>\$92,227</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$35,162</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$35,162</b></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 - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$359,816
Miscellaneous	18,477
Total Operating Cash Receipts	378,293
<b>Operating Cash Disbursements:</b>	
Personal Services	104,563
Fringe Benefits	34,560
Contractual Services	142,918
Supplies and Materials	48,847
Miscellaneous	2,714
Total Operating Cash Disbursements	333,602
Operating Income	44,691
<b>Non-Operating Cash Receipts:</b>	
Loan Proceeds	26,000
Total Non-Operating Cash Receipts	26,000
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	157,524
Total Non-Operating Cash Disbursements	157,524
Net Receipts Over/(Under) Disbursements	(86,833)
Fund Cash Balances, January 1	370,996
<b>Fund Cash Balances, December 31</b>	<b>\$284,163</b>

*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, 2000**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$51,255	\$20,228		\$71,483
Intergovernmental Receipts	129,152	103,413		232,565
Charges for Services	3,626	56,637		60,263
Fines, Licenses, and Permits	5,632			5,632
Earnings on Investments	19,022			19,022
Miscellaneous	17,042	9,151		26,193
	<u>225,729</u>	<u>189,429</u>	<u>0</u>	<u>415,158</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	107,286	62,430		169,716
Public Health Services		23,340		23,340
Transportation		121,637		121,637
General Government	75,140			75,140
Capital Outlay	259	1,036		1,295
	<u>182,685</u>	<u>208,443</u>	<u>0</u>	<u>391,128</u>
Total Receipts Over/(Under) Disbursements	<u>43,044</u>	<u>(19,014)</u>	<u>0</u>	<u>24,030</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In		18,521		18,521
Transfers-Out	(41,163)			(41,163)
	<u>(41,163)</u>	<u>18,521</u>	<u>0</u>	<u>(22,642)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,881	(493)	0	1,388
Fund Cash Balances, January 1	<u>104,704</u>	<u>63,635</u>	<u>27</u>	<u>168,366</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$106,585</u></b>	<b><u>\$63,142</u></b>	<b><u>\$27</u></b>	<b><u>\$169,754</u></b>
Reserves for Encumbrances, December 31	<u>\$51,423</u>	<u>\$12,702</u>	<u>\$0</u>	<u>\$64,125</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 - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$369,855
Miscellaneous	9,696
	379,551
<b>Operating Cash Disbursements:</b>	
Personal Services	68,571
Fringe Benefits	15,972
Contractual Services	120,655
Supplies and Materials	47,432
Capital Outlay	90,782
Miscellaneous	1,652
	345,064
Total Operating Cash Disbursements	345,064
Operating Income	34,487
<b>Non-Operating Cash Receipts:</b>	
OWDA Loan Proceeds	67,506
	67,506
Total Non-Operating Cash Receipts	67,506
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	139,341
	139,341
Total Non-Operating Cash Disbursements	139,341
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	(37,348)
Transfers-In	43,610
Transfers-Out	(20,968)
	(14,706)
Net Receipts Over/(Under) Disbursements	(14,706)
Fund Cash Balances, January 1	385,702
<b>Fund Cash Balances, December 31</b>	<b>\$370,996</b>

*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, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Camden, Preble County, Ohio (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations, and police and emergency services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Deposits**

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

**2. Special Revenue Fund**

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

Street Construction, Maintenance and Repair Fund

This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Ambulance Fund

This fund receives local tax money collected by the County Auditor for an ambulance levy as well as charges for services. Expenditures are for the safety of Village residents.

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Grant Construction Fund

This fund was used to account for street improvement monies spent by Preble County on the Village's behalf for the County's Community Development Block Grant program.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund

This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund

This fund receives charges for services from residents to cover the cost of providing this utility.

Refuse Fund

This fund receives charges for services from residents to cover the cost of providing this utility.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The 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.

**2. Estimated Resources**

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

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Encumbrances**

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND DEPOSITS**

The Village maintains a cash and deposits pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and deposits at December 31 was as follows:

	2001	2000
Demand deposits	\$236,790	\$242,622
Certificates of deposit	139,600	298,128
Total deposits	\$376,390	\$540,750

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001, and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,330	\$214,939	\$33,609
Special Revenue	178,762	219,835	41,073
Capital Projects		44,114	44,114
Enterprise	374,800	404,293	29,493
Total	\$734,892	\$883,181	\$148,289

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$310,955	\$296,215	\$14,740
Special Revenue	230,390	251,221	(20,831)
Capital Projects		44,141	(44,141)
Enterprise	684,919	491,126	193,793
Total	<u>\$1,226,264</u>	<u>\$1,082,703</u>	<u>\$143,561</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$208,160	\$225,729	\$17,569
Special Revenue	240,276	207,950	(32,326)
Enterprise	453,400	490,667	37,267
Total	<u>\$901,836</u>	<u>\$924,346</u>	<u>\$22,510</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$318,376	\$275,271	\$43,105
Special Revenue	269,015	221,145	47,870
Enterprise	838,167	505,373	332,794
Total	<u>\$1,425,558</u>	<u>\$1,001,789</u>	<u>\$423,769</u>

Contrary to Ohio law, expenditures exceeded appropriations in the Permissive Motor Vehicle Fund by \$1,978, and the COPS Fast Fund by \$6,458 for the year ended December 31, 2000. For the year ended December 31, 2001, expenditures exceeded appropriations in the Street Fund by \$5,998, the Ambulance Fund by \$28,250, the Grant Construction Fund by \$44,141 and the Sewer Fund by \$11,084.

The Village did not record or appropriate grant funds of \$44,114 received on their behalf through Preble County for the Community Development Block Grant Program during fiscal year 2001, which is contrary to Ohio Law. These financial statements have been adjusted to reflect this amount.

**4. PROPERTY TAX**

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

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

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX (Continued)**

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, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan 1994	\$804,605	2.20%
Ohio Water Development Authority Loan 1998	734,137	3.50%
Police Cruise Lease	26,791	6.65%
Total	<u>\$1,565,533</u>	

The OWDA 1994 loan relates to wastewater treatment plant improvements that were mandated by the Ohio Environmental Protection Agency. The loan is to be repaid in semi-annual installments of \$35,751, including interest, over a total of 20 years.

The OWDA 1998 loan relates to the North Area Sanitary Sewer Line extension. The OWDA approved up to \$848,454 for the project of which the Village had received \$843,559 as of December 31, 2001. An amortization table for this loan will not be completed until the Village has drawn all funds. However, the Village has started to repay the loan in semi-annual installments of \$29,684, including interest (the first payment was paid in January 1999).

The Police Cruiser Lease is for the lease/purchase of two 2001 Ford Crown Victoria Police Sedans. The lease was entered into on April 12, 2001. The original lease/purchase amount was \$41,237 and is being repaid in annual installments of \$14,746. The first payment was made on April 19, 2001. The Village will have an option at the end of three years to purchase these vehicles for \$1 each.

Amortization of the 1994 OWDA Loan and Police Cruiser Lease, including interest, is scheduled as follows:

	<u>OWDA Loan 1994</u>	<u>Police Cruiser Lease</u>
Year ending December 31:		
2002	\$35,751	\$14,746
2003	71,502	14,746
2004	71,502	
2005	71,502	
2006	71,502	
2007 - 2011	357,510	
2012 - 2015	250,257	
Total	<u>\$929,526</u>	<u>\$29,492</u>

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**7. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**9. RELATED PARTY TRANSACTIONS**

The Village's Mayor is the owner of a company, Wood Propane, from which the Village acquired services during the audit period. They paid \$3,406 for services in 2000 and \$3,953 in 2001.





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street  
Suite 150 E  
Cincinnati, Ohio 45202  
Telephone 513-361-8550  
800-368-7419  
Facsimile 513-361-8577  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL 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 accompanying financial statements of the Village of Camden, Preble County, Ohio (the Village), as of and for the years ended December 31, 2001, and 2000, and have issued our report thereon dated August 22, 2002. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-30368-001 through 2001-30368-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 22, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2001-30368-001 and 2001-30368-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 22, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

August 22, 2002

VILLAGE OF CAMDEN  
PREBLE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2001-30368-001

**Compliance - Reportable Condition (Certification of Funds)**

Ohio Rev. Code, Section 5705.41 (D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

Forty-three percent of expenditures tested for the audit period were not properly certified and the above two exceptions were not used. We could not determine if two additional expenditures were properly certified due to the lack of invoice dates. Failure to properly certify expenditures can result in overspending funds and negative cash fund balances. We recommend the Village properly utilize the encumbrance method of accounting by obtaining approved purchase orders, which contain the Clerk's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment. All invoices should be maintained.

FINDING NUMBER 2001-30368-002

**Compliance – On-Behalf Project**

Ohio Rev. Code, Section 5705.09(F), requires the Village to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure and anticipated expenditures should be included in the Village's appropriations.

As further discussed in Auditor of State Bulletin 2000-008, the Clerk shall record the appropriations in accordance with the terms and conditions of the on-behalf grant or project agreement. In addition, prior to recording the appropriations, Ohio Rev. Code, Section 5705.40 requires the legislative authority to pass a resolution amending its appropriation measure.

**FINDING NUMBER 2001-30368-002  
(Continued)**

The Clerk did not record the Community Development Block Grant (CDBG) monies disbursed on behalf of the Village through the Preble County CDBG program, nor was the grant money included in the appropriations by the Village Council for fiscal year 2001. The accompanying financial statements have been adjusted to reflect receipts and disbursements of \$44,114 for the year ended December 31, 2001. We recommend the Village follow the accounting treatment as prescribed in Auditor of State Bulletin 2000-008 for on-behalf grants.

**FINDING NUMBER 2001-30368-003**

**Compliance – Expenditures vs. Appropriations**

Ohio Rev. Code, Section 5705.41(B), states no subdivision or taxing unit is to expend money unless it has been appropriated.

For 2000, expenditures exceeded appropriations by \$1,978 for the Permissive Motor Vehicle Fund and by \$6,458 for the COPS Fast Fund. For 2001, expenditures exceeded appropriations by \$5,998 for the Street Fund, by \$28,250 for the Ambulance Fund, by \$44,141 for the Grant Construction Fund, and by \$11,084 for the Sewer Fund.

The Clerk should deny payment requests exceeding appropriations. The Clerk may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2001-30368-004**

**Reportable Condition – EMS Payroll**

During payroll testing we had difficulty verifying that the EMS squad members were correctly paid for their services. The squad members should provide adequate supporting documentation for their payroll to the Clerk. The squad members should submit to the Clerk squad run summaries approved by the EMS Chief. We recommend that the Clerk verify this information for accuracy before processing the squad members' payroll.

**VILLAGE OF CAMDEN  
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain:</b></i>
1999-30368-001	OWDA Loan Agreement, failure to record loan proceeds and related expenditures	Yes	
1999-30368-002	Revised Code 733.28, failure to maintain accurate records	No	Partially corrected – reissued as management letter recommendations
1999-30368-003	Inadequate monitoring of ambulance billings	No	Partially corrected – reissued as management letter recommendation
1999-30368-004	Inaccurate cash reconciliations	Yes	
1999-30368-005	Revised Code 117.28, finding against former Clerk	No	Finding was not repaid





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
SEPTEMBER 17, 2002**