
**Village Of Fort Loramie,
Shelby County, Ohio**

FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

CUNI & PANICHA

**CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTING FIRM**

**Village Of Fort Loramie,
Shelby County, Ohio**

FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

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Board of Trustees
Village of Fort Loramie
Fort Loramie, Ohio 45845-0010

We have reviewed the Independent Auditor's Report of the Village of Fort Loramie, Shelby County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 1997 through December 31, 1998. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Fort Loramie is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

March 8, 2000

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Village of Fort Loramie, Shelby County, Ohio

We have audited the financial statements of the Village of Fort Loramie, Shelby County, Ohio (the "Village"), as of and for the years ended December 31, 1998 and 1997, as listed in the Table of Contents. 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 audits in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Ohio 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 fund cash balances of the Village as of December 31, 1998 and 1997, and its 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 January 19, 2000 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.

Ciuni & Panichi, Inc.

Cleveland, Ohio
January 19, 2000

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Total (Memorandum Only)</u>
<u>Receipts:</u>					
Taxes	\$ 58,960	\$ 27,107	\$ -	\$ 465,891	\$ 551,958
Intergovernmental	83,779	41,221	144,186	-	269,186
Special Assessments	-	18,382	-	-	18,382
Charges for Services	33,611	-	-	-	33,611
Fines, Licenses and Permits	2,352	-	-	-	2,352
Interest	20,830	462	-	7,144	28,436
Miscellaneous	<u>56,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,158</u>
Total Receipts	255,690	87,172	144,186	473,035	960,083
<u>Disbursements:</u>					
Current:					
Security of Persons and Property	103,096	-	-	-	103,096
Public Health Services	3,657	-	-	-	3,657
Leisure Time Activities	60,926	-	-	-	60,926
Community Environment	2,876	-	-	-	2,876
Basic Utility Service	37,260	-	-	-	37,260
Transportation	33,848	20,028	-	-	53,876
General Government	103,559	-	-	20,498	124,057
Capital Outlay	404,039	28,402	144,186	-	576,627
Debt Service	<u>257,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,034</u>
Total Disbursements	<u>1,006,295</u>	<u>48,430</u>	<u>144,186</u>	<u>20,498</u>	<u>1,219,409</u>
Receipts Over (Under)					
Disbursements	<u>(750,605)</u>	<u>38,742</u>	<u>-</u>	<u>452,537</u>	<u>(259,326)</u>
<u>Other Financing Sources (Uses):</u>					
Transfers- In	451,998	-	-	-	451,998
Proceeds from Sale of Notes	338,000	-	-	-	338,000
Transfers-Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(451,998)</u>	<u>(451,998)</u>
Total Other Financing Sources (Uses)	<u>789,998</u>	<u>-</u>	<u>-</u>	<u>(451,998)</u>	<u>338,000</u>
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	39,393	38,742	-	539	78,674
Fund Balance, January 1	<u>95,993</u>	<u>29,851</u>	<u>-</u>	<u>171,998</u>	<u>297,842</u>
Fund Balance, December 31	\$ <u>135,386</u>	\$ <u>68,593</u>	\$ <u>-</u>	\$ <u>172,537</u>	\$ <u>376,516</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES – PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Charges for Services	\$ -343,344
Interest	<u>336</u>
Total Operating Revenues	343,680
<u>Operating Expenses:</u>	
Personal Services	20,483
Contractual Services	116,926
Supplies and Materials	45,030
Capital Outlay	<u>10,675</u>
Total Operating Expenses	<u>193,114</u>
Operating Income	<u>150,566</u>
<u>Non-operating Revenues (Expenses):</u>	
Intergovernmental Revenue	10,000
Proceeds from Sale of Notes	352,000
Debt Service	<u>(455,407)</u>
Total Non-operating Revenues (Expenses)	<u>(93,407)</u>
Excess of Revenues Over Expenses	57,159
Fund Balance, January 1	<u>216,417</u>
Fund Balance, December 31	\$ <u>273,576</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1997

	General Fund	Special Revenue	Expendable Trust	Total (Memorandum Only)
<u>Receipts:</u>				
Taxes	\$ 95,081	\$ -	\$ 386,905	\$ 481,986
Intergovernmental	27,611	37,064	-	64,675
Fines, Licenses and Permits	3,146	-	-	3,146
Miscellaneous	23,001	-	-	23,001
Total Receipts	148,839	37,064	386,905	572,808
<u>Disbursements:</u>				
Current:				
Security of Persons and Property	88,685	-	-	88,685
Public Health Services	3,059	-	-	3,059
Leisure Time Activities	9,866	-	-	9,866
Community Environment	1,786	-	-	1,786
Basic Utility Service	36,487	-	-	36,487
Transportation	30,757	24,688	-	55,445
General Government	110,494	9,802	16,507	136,803
Capital Outlay	192,350	-	-	192,350
Debt Service	244,264	-	-	244,264
Total Disbursements	717,748	34,490	16,507	768,745
Receipts Over (Under) Disbursements	(568,909)	2,574	370,398	(195,937)
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	26,557	-	-	26,557
Transfers- In	368,488	-	-	368,488
Proceeds from Sale of Notes	174,000	-	-	174,000
Transfers-Out	-	-	(368,488)	(368,488)
Total Other Financing Sources (Uses)	569,045	-	(368,488)	200,557
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	136	2,574	1,910	4,620
Fund Balance, January 1	95,857	27,277	170,088	293,222
Fund Balance, December 31	\$ 95,993	\$ 29,851	\$ 171,998	\$ 297,842

The accompanying notes are an integral part of these financial statements

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
BALANCES – PROPRIETARY FUND TYPE

FOR THE YEAR ENDED DECEMBER 31, 1997

	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Charges for Services	\$ 343,523
<u>Operating Expenses:</u>	
Personal Services	15,553
Contractual Services	134,207
Supplies and Materials	29,058
Capital Outlay	<u>27,674</u>
Total Operating Expenses	<u>206,492</u>
Operating Income	<u>137,031</u>
<u>Non-operating Revenues (Expenses):</u>	
Proceeds from Sale of Notes	402,000
Debt Service	<u>(453,919)</u>
Total Non-operating Revenues (Expenses)	<u>(51,919)</u>
Excess of Revenues Over Expenses	85,112
Fund Balance, January 1	<u>131,305</u>
Fund Balance, December 31	\$ <u>216,417</u>

The accompanying notes are an integral part of these financial statements

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Fort Loramie, Shelby County, Ohio (the "Village"), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member board. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police service. The Village's management believes these financial statements present all activities for which the Village is financially responsible.

B. BASIS OF ACCOUNTING

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. CASH AND INVESTMENTS

The Village maintains an interest bearing checking account and Certificates of Deposits 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:

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those being financed through Enterprise or Trust funds).

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

D. FUND ACCOUNTING (CONTINUED)

Enterprise Fund

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

Water, Sanitary Sewer and Water Tower Funds - Receives charges for services from residents to cover the cost of providing this utility.

Fiduciary Fund (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as Agency funds. The Village had the following significant fiduciary fund:

Local Income Tax Fund - Received the Village's income tax revenue. These funds are used for various types of expenditures of the Village.

E. BUDGETARY PROCESS

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made.

A summary of 1998 and 1997 budgetary activity appears in Note 3.

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

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. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1998</u>	<u>1997</u>
Demand Deposits	\$ 326,092	\$ 254,259
Certificates of Deposit	<u>324,000</u>	<u>260,000</u>
Total Deposits	\$ <u>650,092</u>	\$ <u>514,259</u>

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

NOTE 3 - BUDGETARY ACTIVITY

The Village's budgetary activity for the years ending December 31, 1998 and 1997 were as follows:

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Receipts</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 749,430	\$ 1,045,688	\$ 296,258
Special Revenue	89,853	87,172	(2,681)
Capital Projects	169,522	144,186	(25,336)
Enterprise	529,420	705,680	176,260
Fiduciary	<u>591,998</u>	<u>473,035</u>	<u>(118,963)</u>
	\$ <u>2,130,223</u>	\$ <u>2,455,761</u>	\$ <u>325,538</u>

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 749,430	\$ 1,006,295	\$ (256,865)
Special Revenue	89,853	48,430	41,423
Capital Projects	169,522	144,186	25,336
Enterprise	529,420	648,521	(119,101)
Fiduciary	<u>591,998</u>	<u>472,496</u>	<u>119,502</u>
	\$ <u>2,130,223</u>	\$ <u>2,319,928</u>	\$ <u>(189,705)</u>

1997 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Receipts</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 752,190	\$ 717,884	\$ 34,306
Special Revenue	64,475	37,064	27,411
Enterprise	442,305	745,523	(303,218)
Fiduciary	<u>500,088</u>	<u>386,905</u>	<u>113,183</u>
	\$ <u>1,759,058</u>	\$ <u>1,887,376</u>	\$ <u>(128,318)</u>

1997 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 752,190	\$ 717,748	\$ 34,442
Special Revenue	64,475	34,490	29,985
Enterprise	442,305	660,411	(218,106)
Fiduciary	<u>500,088</u>	<u>384,995</u>	<u>115,093</u>
	\$ <u>1,759,058</u>	\$ <u>1,797,644</u>	\$ <u>(38,586)</u>

NOTE 4 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions.

Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semi-annual payments, the first half is due December 31, and 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 April 30.

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

NOTE 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.

NOTE 5 - DEBT

Debt outstanding at December 31, 1998 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewage System FMHA Loan	\$ 443,012	5.00%
Water Tower Bond Anticipation Note	352,000	4.08%
Real Estate Acquisition Term Note	160,527	6.46%
Real Estate Acquisition Bond Anticipation Note	113,000	4.59%
Ohio Water Development Authority Loan	<u>74,819</u>	<u>7.66%</u>
	<u>\$ 1,143,358</u>	

The Sewage System FMHA Loan was used for sewer treatment improvements. It is paid for by user fees.

The Water Tower Bond was issued for the construction of a water tower. It is paid for by user fees.

The Real Estate Acquisition Term Note was issued for the purchase of property within the Village. It is payable at maturity; however, \$64,473 has been applied to the principal balance of \$225,000.

The Real Estate Acquisition Bond Anticipation Notes were issued for industrial park land purchases. Property and revenue of the Village have been pledged to repay this debt.

The Ohio Water Development Authority Loan was for water and sewer lines. Property and revenue of the Village have been pledged to repay this debt.

NOTE 6 - RETIREMENT SYSTEMS

Full-time employees belong to the Public Employees Retirement Systems (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, 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 1998 and 1997, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1998.

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

NOTE 7 - RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the "Pool"). The Pool assumes the risk of loss up to the Village's policy. The Pool may assess supplemental premiums. The following risks are assumed by the Pool:

- Comprehensive property and general liability
- Public official's liability
- Vehicles

NOTE 8 - YEAR 2000 ISSUES

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations. As of December 31, 1998, the Village identified the following mission-critical electronic systems and equipment:

- The Village leases the Auditor of State's Uniform Accounting Network (UAN) system for its financial operations. The Auditor of State is responsible for remediating these systems and is solely responsible for any costs associated with this project. During 1999, the Village installed and tested a version the Auditor of State asserts to be Year 2000 compliant.
- Tax collection for the Village is handled by Shelby County. The County is responsible for remediating this system, and is solely responsible for any costs associated with this project.
- Income tax collection for the Village is handled by the City of St. Mary's. The City is responsible for remediating this system, and is solely responsible for any costs associated with this project. As of March 30, 1999, Tax Commissioner, Joy Bond, informed the Village that the City has upgraded their computer equipment and will make backups of all files pertaining to the Village on December 31, 1999.
- The majority of the banking business for the Village is handled by Firststar. Firststar is responsible for remediating this system, and is solely responsible for any costs associated with this project. Firststar recognizes the 2000 problem and has been working since 1996 to remedy the situation.
- The Village uses software licensed through MCS/Spectrum for billing of utilities. The Village upgraded to a Compaq Presario 2266 computer with Microsoft Windows 98. The Village had a contract with MCS/Spectrum for support services in the amount of \$900 per year, which included upgrading the software during 1999.
- The Village contracts through Shelby County Sewer District (SCSD) for disposal of sewage. SCSD is responsible for remediating this system, and is solely responsible for any costs associated with this project.

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

NOTE 8 – YEAR 2000 ISSUES – CONTINUED

To the best of management's knowledge and belief, as of January 19, 2000, the government experienced no significant interruption of mission-critical operations or services related to the Year 2000 issue. However, because of the unprecedented nature of the Year 2000 issue, matters may yet arise, and parties with whom the Village of Fort Loramie does business may also experience Year 2000 readiness issues that are, as yet, unknown.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Village Council
Village of Fort Loramie, Shelby County, Ohio

We have audited the financial statements of the Village of Fort Loramie, Shelby County, Ohio (the "Village"), as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated January 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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* and which are described in the accompanying Schedule of Findings as Items 98-1 and 98-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control structure 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 begin audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal controls over financial reporting that do not require inclusion in this report, that we have reported to management of the Village of Ft. Loramie in a separate letter dated January 19, 2000.

Village Council
Village of Fort Loramie, Shelby County, Ohio 2

This report is intended for the information of the Village Council, Village Management and the Auditor of State and is not intended to be and should not be used by anyone other than these parties.

Curtis J. Camilli, Inc.

Cleveland, Ohio
January 19, 2000

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 1998 AND 1997

1. Summary of Auditor's Results

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes

2. Findings Related to the Financial Statements Required to Be Reported in Accordance with GAGAS

98-1 Ohio Revised Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The amount certified must be recorded against the applicable appropriation account. Further, contracts and orders for expenditures lacking prior certification should be declared null and void.

If no certificate is furnished as required, the fiscal officer may certify that there was at the time of making such contract or order a sufficient sum appropriated for the purposes of such contract and in the treasury or in the process of collection to the credit of an appropriation fund free from any previous encumbrances, provided that a resolution be passed within thirty days of the certificate, and that such amount involved is less than one thousand dollars.

In all vouchers tested for 1997, the Clerk honored obligations when certification for invoices was obtained after goods and services had been ordered and/or received and no subsequent resolution was noted.

In 1998, the Village implemented the practice of approving purchase orders prior to making any contract or order of any expenditure. All vouchers tested were in compliance for 1998.

98-2 Ohio Revised Code 5705.41(B), states that no subdivision or taxing unit is to expend money unless it has been appropriated. Expenditures exceeded appropriations in the General and Enterprise Funds in 1998 and in the Enterprise Fund in 1997.

3. Findings

Not applicable.

VILLAGE OF FORT LORAMIE, SHELBY COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 1998 AND 1997

<u>Finding No.</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Explanation</u>
1	Section 5705.41(D), Ohio Revised Code; Clerk honored obligations when certification for invoices was obtained after goods and services had been ordered and/or received.	Yes.	System of approving purchase orders prior to making any contract or order of any expenditures implemented 1/1/98
2	Section 5705.41(B), Ohio Revised Code; Two funds in 1995 and three funds in 1996 with disbursements plus outstanding encumbrances greater than total approximations	No.	See Finding 98-2 in the Schedule of Findings.
3	Receipts not deposited daily, no individual customer subsidiary and lack of segregation of duties related to utility revenue.	Yes.	Implemented controls and procedures to assure proper recording, authorization and deposit of utility receipts.

VILLAGE OF FORT LORAMIE
18 SOUTH MAIN STREET
FORT LORAMIE, OHIO 45845
(937) 295-3088

Response to Findings Associated With
Audit Conducted in Accordance with *Government Auditing Standards*
for the Year Ended December 31, 1998

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
98-1	Approve purchase orders prior to making any contract or order of any expenditure	1/1/98	Deborah Kremer, Clerk/Treasurer
98-2	The Village will monitor expenditures and encumbrances to ensure that they do not exceed budgeted appropriations	Not applicable	Deborah Kremer, Clerk/Treasurer



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF FORT LORAMIE

SHELBY 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.

By: Susan Babbitt

Date: MARCH 21, 2000