



**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Shiloh  
Richland County  
P.O. Box 242  
Shiloh, Ohio 44878

To the Village Council:

We have audited the accompanying financial statements of the Village of Shiloh, Richland County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 audits.

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

As discussed in Note 1, the 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, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 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.

This report is intended solely for the information and use of management, the Village Council and other officials authorized to receive this report under § 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".

**Jim Petro**  
Auditor of State

April 6, 2000



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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$14,300	\$12,018	\$0	\$0	\$26,318
Intergovernmental	51,012	40,854			91,866
Fines, Licenses, and Permits	9,036	1,145			10,181
Earnings on Investments	16,743				16,743
Miscellaneous	4,108			1,624	5,732
<b>Total Cash Receipts</b>	<b>95,199</b>	<b>54,017</b>	<b>0</b>	<b>1,624</b>	<b>150,840</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	10,000	11,393			21,393
Public Health Services	158				158
Leisure Time Activities	4,633			6,613	11,246
Community Environment	1,430				1,430
Basic Utility Services	168				168
Transportation	21,861	34,062			55,923
General Government	38,987				38,987
Debt Service:					
Principal Payments			3,000		3,000
Interest Payments			11,375		11,375
<b>Total Cash Disbursements</b>	<b>77,237</b>	<b>45,455</b>	<b>14,375</b>	<b>6,613</b>	<b>143,680</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>17,962</b>	<b>8,562</b>	<b>(14,375)</b>	<b>(4,989)</b>	<b>7,160</b>
<b>Other Financing Receipts:</b>					
Transfers-In			14,375		14,375
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<b>17,962</b>	<b>8,562</b>	<b>0</b>	<b>(4,989)</b>	<b>21,535</b>
<b>Fund Cash Balances, January 1</b>	<b>98,095</b>	<b>43,998</b>	<b>0</b>	<b>5,969</b>	<b>148,062</b>
<b>Fund Cash Balances, December 31</b>	<b>\$116,057</b>	<b>\$52,560</b>	<b>\$0</b>	<b>\$980</b>	<b>\$169,597</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$4,094</b>	<b>\$1,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,236</b>

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

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$435,601	\$0	\$435,601
<b>Operating Cash Disbursements:</b>			
Personal Services	52,067		52,067
Contractual Services	233,363		233,363
Supplies and Materials	66,022		66,022
Capital Outlay	34,247		34,247
Total Operating Cash Disbursements	385,699	0	385,699
Operating Income	49,902	0	49,902
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Cash Receipts		12,473	12,473
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	2,388	12,473	14,861
Excess of Receipts Over Disbursements Before Interfund Transfers	47,514	0	47,514
Transfers-Out	(14,375)		(14,375)
Net Receipts Over Disbursements	33,139	0	33,139
Fund Cash Balances, January 1	323,630	0	323,630
<b>Fund Cash Balances, December 31</b>	<b>\$356,769</b>	<b>\$0</b>	<b>\$356,769</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$15,856	\$13,680	\$0	\$0	\$29,536
Intergovernmental	42,915	37,165			80,080
Fines, Licenses, and Permits	6,950	690			7,640
Earnings on Investments	17,010				17,010
Miscellaneous	18,155			9,098	27,253
<b>Total Cash Receipts</b>	<u>100,886</u>	<u>51,535</u>	<u>0</u>	<u>9,098</u>	<u>161,519</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	5,000	16,029			21,029
Public Health Services	414				414
Leisure Time Activities	763			4,431	5,194
Community Environment	1,420				1,420
Basic Utility Services	412				412
Transportation	22,629	39,747			62,376
General Government	35,567			2,283	37,850
Debt Service:					
Principal Payments			2,900		2,900
Interest Payments			11,520		11,520
Capital Outlay	5,353				5,353
<b>Total Cash Disbursements</b>	<u>71,558</u>	<u>55,776</u>	<u>14,420</u>	<u>6,714</u>	<u>148,468</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>29,328</u>	<u>(4,241)</u>	<u>(14,420)</u>	<u>2,384</u>	<u>13,051</u>
<b>Other Financing Receipts:</b>					
Transfers-In			14,420		14,420
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	29,328	(4,241)	0	2,384	27,471
Fund Cash Balances, January 1, As Restated, Note 8	68,767	48,239	0	3,585	120,591
<b>Fund Cash Balances, December 31</b>	<u><b>\$98,095</b></u>	<u><b>\$43,998</b></u>	<u><b>\$0</b></u>	<u><b>\$5,969</b></u>	<u><b>\$148,062</b></u>
Reserves for Encumbrances, December 31	<u>\$1,348</u>	<u>\$121</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,469</u>

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

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$450,888	\$0	\$450,888
<b>Operating Cash Disbursements:</b>			
Personal Services	52,949		52,949
Contractual Services	260,118		260,118
Supplies and Materials	45,154		45,154
Capital Outlay	86,454		86,454
Total Operating Cash Disbursements	444,675	0	444,675
Operating Income	6,213	0	6,213
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Cash Receipts	13,791	9,449	23,240
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	1,372	9,449	10,821
Excess of Receipts Over Disbursements Before Interfund Transfers	18,632	0	18,632
Transfers-Out	(14,420)		(14,420)
Net Receipts Over Disbursements	4,212	0	4,212
Fund Cash Balances, January 1	319,418	0	319,418
<b>Fund Cash Balances, December 31</b>	<b>\$323,630</b>	<b>\$0</b>	<b>\$323,630</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Shiloh, Richland County, (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 general governmental services, including water, sewer and electric utilities; street maintenance, construction and repair; and park operations (leisure time activities). The Village contracts with the Richland County Sheriff's department to provide security of persons and property.

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 Investments**

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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 Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The 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.

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

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

Police Fund - This fund receives real estate and personal property tax money to pay for the police protection services provided by the Richland County Sheriff's Office.

Permissive Sales Tax Fund - This fund is used to account for sales tax revenues received and used to pay for road projects.

**3. Debt Service Fund**

This fund is used to accumulate resources for the payment of note indebtedness. The Village had the following significant Debt Service Fund:

Sewer Loan Retirement Fund - This fund is used to accumulate resources for the payment of principal and interest on the Village's Sewer loan from the United States Department of Agriculture.

**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.

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

**5. Fiduciary Funds (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 nonexpendable 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 funds:

Donation Fund - This fund receives donations made to the Village for the Village Park.

Mayor's Court Fund - This fund receives fines and fees from court cases. These monies are then distributed to the General and Special Revenue Funds and to the State of Ohio.

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

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

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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.

**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.

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay 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.

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

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 201,164	\$ 148,452
Certificates of deposit	<u>285,000</u>	<u>285,000</u>
Total deposits	<u>486,164</u>	<u>433,452</u>
STAR Ohio	<u>40,202</u>	<u>38,240</u>
Total deposits and investments	<u>\$ 526,366</u>	<u>\$ 471,692</u>

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 74,590	\$ 95,199	\$ 20,609
Special Revenue	48,000	54,017	6,017
Debt Service	15,000	14,375	(625)
Enterprise	378,445	435,601	57,156
Fiduciary	5,000	1,624	(3,376)
Total	\$ 521,035	\$ 600,816	\$ 79,781

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 175,368	\$ 81,331	\$ 94,037
Special Revenue	88,021	46,597	41,424
Debt Service	14,900	14,375	525
Enterprise	699,720	402,462	297,258
Fiduciary	10,898	6,613	4,285
Total	\$ 988,907	\$ 551,378	\$ 437,529

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 71,925	\$ 100,886	\$ 28,961
Special Revenue	65,000	51,535	(13,465)
Debt Service	15,000	14,420	(580)
Enterprise	458,153	464,679	6,526
Fiduciary	0	9,098	9,098
Total	\$ 610,078	\$ 640,618	\$ 30,540

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

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 140,413	\$ 72,906	\$ 67,507
Special Revenue	107,583	55,897	51,686
Debt Service	14,900	14,420	480
Enterprise	696,399	460,467	235,932
Fiduciary	11,181	6,714	4,467
Total	\$ 970,476	\$ 610,404	\$ 360,072

**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.

Public utilities are also taxed on personal and real property located within the Village.

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

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
United States Department of Agriculture Loan	\$ 224,500	5%

The United States Department of Agriculture (USDA) loan relates to a sewer project. The USDA has approved \$245,000 in loans to the Village for this project. The loan, including interest, will be repaid in variable annual installments over 40 years.

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

**5. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>USDA Loan</u>
2000	\$ 14,425
2001	14,365
2002	14,400
2003	14,425
2004	14,440
Subsequent	<u>374,075</u>
Total	<u>\$ 446,130</u>

**6. RETIREMENT SYSTEM**

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

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

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health insurance to full-time employees through a private carrier.

**8. PRIOR PERIOD ADJUSTMENT**

At December 31, 1997 the balance in the Special Revenue Fund Type was understated and the General Fund was overstated by \$2,030 due to the activity for the Mayor's Court Computer Fund being recorded in the General Fund. The affect of this adjustment on each fund type as previously stated is shown below.

<u>Fund Type</u>	<u>Balance as Previously Stated at December 31, 1997</u>	<u>Adjustment</u>	<u>Restated Balance at January 1, 1998</u>
General	\$70,797	(\$2030)	\$68,767
Special Revenue	46,209	2,030	48,239



STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Shiloh  
Richland County  
P.O. Box 242  
Shiloh, Ohio 44878

To the Village Council:

We have audited the financial statements of the Village of Shiloh, Richland County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 6, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted an immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated April 6, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted 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 April 6, 2000.

This report is intended 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

April 6, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

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VILLAGE OF SHILOH

RICHLAND 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 9, 2000