



**VILLAGE OF SHILOH
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

VILLAGE OF SHILOH
RICHLAND COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Village of Shiloh
Richland County
13 West Main Street
Shiloh, Ohio 44878

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Shiloh, Richland County, Ohio, (the Village) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 27, 2021

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**VILLAGE OF SHILOH
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 33,658	\$ 9,632	\$ 43,290
Intergovernmental	27,803	43,608	71,411
Special Assessments	1,225	-	1,225
Charges for Services	650	-	650
Fines, Licenses and Permits	4,837	-	4,837
Earnings on Investments	1,837	-	1,837
Miscellaneous	12,937	420	13,357
<i>Total Cash Receipts</i>	<u>82,947</u>	<u>53,660</u>	<u>136,607</u>
Cash Disbursements			
Current:			
Security of Persons and Property	26,000	9,307	35,307
Public Health Services	467	-	467
Leisure Time Activities	-	847	847
Community Environment	1,590	-	1,590
Basic Utility Services	371	-	371
Transportation	4,394	19,096	23,490
General Government	23,716	-	23,716
Capital Outlay	6,300	-	6,300
<i>Total Cash Disbursements</i>	<u>62,838</u>	<u>29,250</u>	<u>92,088</u>
<i>Excess of Receipts Over/Under Disbursements</i>	20,109	24,410	44,519
Other Financing Receipts			
Other Financing Sources	55	-	55
<i>Total Other Financing Receipts</i>	<u>55</u>	<u>-</u>	<u>55</u>
<i>Net Change in Fund Cash Balances</i>	20,164	24,410	44,574
<i>Fund Cash Balances, January 1</i>	<u>(15,000)</u>	<u>47,551</u>	<u>32,551</u>
Fund Cash Balances, December 31			
Restricted	-	71,961	71,961
Unassigned	5,164	-	5,164
<i>Fund Cash Balances, December 31</i>	<u>\$ 5,164</u>	<u>\$ 71,961</u>	<u>\$ 77,125</u>

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

**VILLAGE OF SHILOH
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 1,145,819	\$ -	\$ 1,145,819
Miscellaneous	4,000	-	4,000
<i>Total Operating Cash Receipts</i>	<u>1,149,819</u>	<u>-</u>	<u>1,149,819</u>
Operating Cash Disbursements			
Personal Services	152,944	-	152,944
Employee Fringe Benefits	38,656	-	38,656
Contractual Services	598,930	-	598,930
Supplies and Materials	57,996	-	57,996
<i>Total Operating Cash Disbursements</i>	<u>848,526</u>	<u>-</u>	<u>848,526</u>
<i>Operating Income (Loss)</i>	<u>301,293</u>	<u>-</u>	<u>301,293</u>
Non-Operating Receipts (Disbursements)			
Loans Issued	461,539	-	461,539
Capital Outlay	(207,112)	-	(207,112)
Principal Retirement	(528,076)	-	(528,076)
Interest and Other Fiscal Charges	(21,204)	-	(21,204)
Other Financing Sources	2,572	6,758	9,330
Other Financing Uses	(2,260)	(6,758)	(9,018)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(294,541)</u>	<u>-</u>	<u>(294,541)</u>
<i>Net Change in Fund Cash Balances</i>	6,752	-	6,752
<i>Fund Cash Balances, January 1</i>	<u>479,380</u>	<u>100</u>	<u>479,480</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 486,132</u>	<u>\$ 100</u>	<u>\$ 486,232</u>

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

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 – Reporting Entity

The Village of Shiloh (the Village), Richland County, 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. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, electric, and refuse utilities, and park operations. The Village contracts with the Richland County Sheriff's department to provide security of persons and property.

The Village participates in a public entity risk pool. Note 13 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police Fund The police fund accounts for and reports the portion of property taxes restricted for the security of persons and property.

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

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund This fund receives charges for services from residents to cover electric service.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village has no trust funds.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 4.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

VILLAGE OF SHILOH, OHIO
 RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for all funds for the year ended December 31, 2019, because the Village did not submit appropriation ordinances to the County Auditor.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,684	\$83,002	(\$2,682)
Special Revenue	45,150	53,660	8,510
Enterprise	1,627,285	1,613,930	(13,355)
Total	<u>\$1,758,119</u>	<u>\$1,750,592</u>	<u>(\$7,527)</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$62,838	(\$62,838)
Special Revenue	0	29,250	(29,250)
Enterprise	0	1,607,178	(1,607,178)
Total	<u>\$0</u>	<u>\$1,699,266</u>	<u>(\$1,699,266)</u>

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 5 – Deposits and Investments

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

	2019
Demand deposits	\$201,713
Certificates of deposit	346,426
Total deposits	<u>548,139</u>
STAR Ohio	<u>15,218</u>
Total investments	<u>15,218</u>
Total deposits and investments	<u><u>\$563,357</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or 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.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 7 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 7 – Risk Management (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	(11,329,011)
Members' Equity	\$ 4,591,493

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Social Security

Village Council members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 9 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

Note 10 – Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #4597	\$461,234	2.00%
OWDA Loan #5351	\$24,085	0.00%
OWDA Loan #6960	\$266,663	0.9%-1.15%
OWDA Loan #7418	\$547,684	0.41%
OWDA Loan #8693	\$409,051	0.22%
USDA Loan #92-01	\$119,400	5.00%
OPWC Loan #CP04J	\$127,500	0.00%
Total	<u>\$1,955,617</u>	

The Village refinanced an AMP-Ohio loan with a bank loan in 2011. The final payment on the bank loan was made on October 2, 2019.

The Ohio Water Development Authority (OWDA) Loan #4597 relates to the construction of the new water treatment facility. OWDA approved \$705,059 for the loan to be paid over 30 years. The loan will be repaid in semi-annual payments of \$15,683 with an interest rate of 2.00%. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #5351 relates to sanitary sewer and manhole rehabilitation. OWDA approved \$48,171 for the loan to be paid over 20 years. The loan will be repaid in semi-annual payments of \$1,204 with an interest rate of 0%. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #6960 relates to waterline replacement. OWDA approved two separate loans in the amounts of \$288,285 and \$19,321, respectively, to be paid over 30 years. The loans will be repaid in semi-annual payments of \$5,875 with an interest rate of 0.90% and 1.15%, respectively. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #7418 relates to the elevated water tower replacement. OWDA approved \$604,882 for the loan to be paid over 30 years. The loan will be repaid in semi-annual payments of \$10,724 with an interest rate of 0.41%. Principal and interest payments are made from the Enterprise Funds.

VILLAGE OF SHILOH, OHIO
 RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan #8693 relates to the sewer treatment plant upgrade design. This loan was also used to pay off OWDA Loan #7342 and OWDA Loan #7801 during 2019. At December 31, 2019, OWDA encumbered \$4,784,221 and disbursed \$409,051 in project disbursements. As of December 31, 2019, the loan has not been finalized and an amortization schedule was not available.

The USDA (United States Department of Agriculture) Loan #92-01 relates to a sewer project. The USDA approved \$245,000 in loans to the Village for this project and the loan was issued in 1990. The loan, including interest, will be repaid in variable annual installments over 40 years. The loan is collateralized by water and sewer receipts.

The Ohio Public Works Commission (OPWC) Loan #CP04J relates to construction at the water plant. The loan was issued in 2009 in the amount of \$300,000. The loan will be repaid in semiannual payments of \$7,500 over 20 years. There is no interest on this loan.

Amortization

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

Year Ending December 31:	USDA Loan 92-01	OPWC Loan C904J	OWDA Loan 4597	OWDA Loan 5351	OWDA Loan 6960	OWDA Loan 7418
2020	\$ 14,370	\$ 7,500	\$ 31,367	\$ 2,409	\$ 11,750	\$ 21,449
2021	14,350	15,000	31,367	2,409	11,750	21,449
2022	14,410	15,000	31,367	2,409	11,750	21,449
2023	14,345	15,000	31,367	2,409	11,750	21,449
2024	14,360	15,000	31,367	2,409	11,750	21,449
2025-2029	71,915	60,000	156,836	12,040	58,750	107,244
2030-2034	14,385	0	156,836	0	58,750	107,244
2035-2039	0	0	78,418	0	58,750	107,244
2040-2044	0	0	0	0	58,750	107,244
2045-2047	0	0	0	0	5,872	42,897
Total	<u>\$158,135</u>	<u>\$127,500</u>	<u>\$548,925</u>	<u>\$24,085</u>	<u>\$299,622</u>	<u>\$579,118</u>

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 11 – AMP Ohio

The Village is a member of American Municipal Power (AMP) and is a participant in the following AMP projects:

A. AMGS

Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station ("AMPGS"), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately \$3 billion. In the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation, the EPC (engineer, procure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result of the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP members that had subscribed for capacity from AMPGS ("AMPGS Participants") voted to cease development of AMPGS as a coal fired project.

In August, 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

As of January 1, 2019, \$17,114,359 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and \$36,188,681 on AMP's Line of Credit was allocable to plant held for future use.

B. Prairie State Energy Campus

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the "*PSEC Ownership Interest*") in the Prairie State Energy Campus ("*PSEC*"), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("*AMP 368 LLC*"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "*Initial Prairie State Bonds*") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000.

On January 14, 2015 and November 30, 2017, AMP issued bonds (the "*Prairie State Refunding Bonds*") and, together with the Initial Prairie State Bonds, the "*Prairie State Bonds*") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of January 1, 2019, AMP had \$1,537,430,000 aggregate principal amount of Prairie State Bonds outstanding.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 11 – AMP Ohio (Continued)

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the “*Prairie State Power Sales Contract*”) with 68 Members (the “*Prairie State Participants*”). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

C. AMP Fremont Energy Center

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“*FirstEnergy*”) the Fremont Energy Center (“*AFEC*”), a combined cycle, natural gas fueled electric generating plant, then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. AFEC has a capacity of 512 MW (unfired)/675 MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser. AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “*90.69% Interest*”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 86 of its Members (the “*AFEC Power Sales Contract*”).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “*2012 AFEC Bonds*”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the “*AFEC Refunding Bonds*” and, together with the 2012 AFEC Bonds, the “*AFEC Bonds*”) to refund a portion of the 2012 AFEC Bonds. As of January 1, 2019, \$499,105,000 aggregate principal amount of AFEC Bonds was outstanding.

D. Combined Hydroelectric Projects

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the “*Combined Hydroelectric Projects*”), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “*Combined Hydroelectric Bonds*”), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 11 – AMP Ohio (Continued)

As of January 1, 2019, \$2,222,975,882 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$31.6 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed a lawsuit against Voith Hydro, Inc. (“Voith”), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Project.

Note 12 – Subsequent Events

A. Wastewater Treatment Plant

The Village of Shiloh is currently under "Findings and Orders" from the Ohio Environmental Protection Agency related to the wastewater treatment plant. Construction on the new wastewater treatment plant began in 2020. The cost of the new plant is estimated at \$4,500,000.

B. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

C. Mayor's Court

The Village suspended the Mayor's Court for 2021 due to lack of activity in 2020.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

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**VILLAGE OF SHILOH
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 35,511	\$ 9,012	\$ 44,523
Intergovernmental	28,181	39,749	67,930
Fines, Licenses and Permits	4,665	250	4,915
Earnings on Investments	1,224	-	1,224
Miscellaneous	4,075	1,437	5,512
	<u>73,656</u>	<u>50,448</u>	<u>124,104</u>
 Cash Disbursements			
Current:			
Security of Persons and Property	26,279	12,802	39,081
Public Health Services	577	-	577
Leisure Time Activities	269	448	717
Community Environment	1,880	-	1,880
Basic Utility Services	6,612	-	6,612
Transportation	11,238	30,237	41,475
General Government	56,847	-	56,847
	<u>103,702</u>	<u>43,487</u>	<u>147,189</u>
<i>Total Cash Disbursements</i>			
	<u>(30,046)</u>	<u>6,961</u>	<u>(23,085)</u>
<i>Excess of Receipts Over/Under Disbursements</i>			
 Other Financing Receipts			
Other Financing Sources	32	-	32
	<u>32</u>	<u>-</u>	<u>32</u>
<i>Total Other Financing Receipts</i>			
	<u>32</u>	<u>-</u>	<u>32</u>
<i>Net Change in Fund Cash Balances</i>	<u>(30,014)</u>	<u>6,961</u>	<u>(23,053)</u>
<i>Fund Cash Balances, January 1</i>	<u>15,014</u>	<u>40,590</u>	<u>55,604</u>
 Fund Cash Balances, December 31			
Restricted	-	47,551	47,551
Unassigned	(15,000)	-	(15,000)
	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (15,000)</u>	<u>\$ 47,551</u>	<u>\$ 32,551</u>

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

**VILLAGE OF SHILOH
RICHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 1,073,097	\$ -	\$ 1,073,097
Fines, Licenses and Permits	5,367	-	5,367
Miscellaneous	4,802	-	4,802
<i>Total Operating Cash Receipts</i>	<u>1,083,266</u>	<u>-</u>	<u>1,083,266</u>
Operating Cash Disbursements			
Personal Services	101,275	-	101,275
Employee Fringe Benefits	31,033	-	31,033
Contractual Services	647,382	-	647,382
Supplies and Materials	33,992	-	33,992
Other	5,979	-	5,979
<i>Total Operating Cash Disbursements</i>	<u>819,661</u>	<u>-</u>	<u>819,661</u>
<i>Operating Income (Loss)</i>	<u>263,605</u>	<u>-</u>	<u>263,605</u>
Non-Operating Receipts (Disbursements)			
Loans Issued	337,773	-	337,773
Capital Outlay	(381,568)	-	(381,568)
Principal Retirement	(128,270)	-	(128,270)
Interest and Other Fiscal Charges	(23,773)	-	(23,773)
Other Financing Sources	-	5,197	5,197
Other Financing Uses	-	(5,197)	(5,197)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(195,838)</u>	<u>-</u>	<u>(195,838)</u>
<i>Net Change in Fund Cash Balances</i>	67,767	-	67,767
<i>Fund Cash Balances, January 1</i>	<u>411,613</u>	<u>100</u>	<u>411,713</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 479,380</u>	<u>\$ 100</u>	<u>\$ 479,480</u>

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

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 – Reporting Entity

The Village of Shiloh (the Village), Richland County, 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. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, electric, and refuse utilities, and park operations. The Village contracts with the Richland County Sheriff's department to provide security of persons and property.

The Village participates in a public entity risk pool. Note 13 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds 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. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police Fund The police fund accounts for and reports the portion of property taxes restricted for the security of persons and property.

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

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Electric Fund This fund receives charges for services from residents to cover electric service.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village has no trust funds.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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. Appropriations lapse at year end.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 4.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio Rev. Code §5705.10, at December 31, 2018, the General Fund had a cash deficit of \$15,000.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,060	\$73,688	(\$27,372)
Special Revenue	45,700	50,448	4,748
Enterprise	1,330,288	1,421,039	90,751
Total	<u>\$1,477,048</u>	<u>\$1,545,175</u>	<u>\$68,127</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$129,976	\$103,702	\$26,274
Special Revenue	82,167	43,487	38,680
Enterprise	1,568,088	1,353,272	214,816
Total	<u>\$1,780,231</u>	<u>\$1,500,461</u>	<u>\$279,770</u>

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 5 – Deposits and Investments

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

	2018
Demand deposits	<u>\$152,223</u>
Certificates of deposit	<u>344,945</u>
Total deposits	<u>497,168</u>
STAR Ohio	<u>14,863</u>
Total investments	<u>14,863</u>
Total deposits and investments	<u><u>\$512,031</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or 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.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 7 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 7 – Risk Management (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$ 15,065,412
Liabilities	(10,734,623)
Members' Equity	\$ 4,330,789

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Social Security

Village Council members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 10 – Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Civista Bank Loan	\$32,915	3.45%
OWDA Loan #4597	\$483,049	2.00%
OWDA Loan #5351	\$26,494	0.00%
OWDA Loan #6960	\$275,908	0.9%-1.15%
OWDA Loan #7342	\$40,964	3.02%
OWDA Loan #7418	\$566,828	0.41%
OWDA Loan #7801	\$326,096	3.14%
USDA Loan #92-01	\$127,400	5.00%
OPWC Loan #CP04J	\$142,500	0.00%
Total	<u>\$2,022,154</u>	

The Village refinanced an AMP-Ohio loan with Civista Bank in 2011. The original loan amount totaled \$320,000 at 3.45%. Principal and interest payments are made from the Enterprise Funds and the loan is collateralized by electric deposits.

The Ohio Water Development Authority (OWDA) Loan #4597 relates to the construction of the new water treatment facility. OWDA approved \$705,059 for the loan to be paid over 30 years. The loan will be repaid in semi-annual payments of \$15,683 with an interest rate of 2.00%. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #5351 relates to sanitary sewer and manhole rehabilitation. OWDA approved \$48,171 for the loan to be paid over 20 years. The loan will be repaid in semi-annual payments of \$1,204 with an interest rate of 0%. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #6960 relates to waterline replacement. OWDA approved two separate loans in the amounts of \$288,285 and \$19,321, respectively, to be paid over 30 years. The loans will be repaid in semi-annual payments of \$5,875 with an interest rate of 0.90% and 1.15%, respectively. Principal and interest payments are made from the Enterprise Funds.

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan #7342 relates to the general sewer plan and mercury pollutant minimization plan. At December 31, 2018, OWDA approved \$40,964 in project disbursements. Though principal and interest payments have been made against the debt, the loan has not been finalized as of December 31, 2018, and an amortization schedule for future payments is not available.

The Ohio Water Development Authority (OWDA) Loan #7418 relates to the elevated water tower replacement. OWDA approved \$604,882 for the loan to be paid over 30 years. The loan will be repaid in semi-annual payments of \$10,724 with an interest rate of 0.41%. Principal and interest payments are made from the Enterprise Funds.

The Ohio Water Development Authority (OWDA) Loan #7801 relates to the sewer treatment plant upgrade design. At December 31, 2018, OWDA approved \$326,096 in project disbursements. Though principal and interest payments have been made against the debt, the loan has not been finalized as of December 31, 2018, and an amortization schedule for future payments is not available.

The USDA (United States Department of Agriculture) Loan #92-01 relates to a sewer project. The USDA approved \$245,000 in loans to the Village for this project and the loan was issued in 1990. The loan, including interest, will be repaid in variable annual installments over 40 years. The loan is collateralized by water and sewer receipts.

The Ohio Public Works Commission (OPWC) Loan #CP04J relates to construction at the water plant. The loan was issued in 2009 in the amount of \$300,000. The loan will be repaid in semiannual payments of \$7,500 over 20 years. There is no interest on this loan.

Amortization

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

Year Ending December 31:	Civista Bank Loan	USDA Loan 92-01	OPWC Loan C904J	OWDA Loan 4597	OWDA Loan 5351	OWDA Loan 6960	OWDA Loan 7418
2019	\$33,387	\$14,370	\$15,000	\$31,367	\$2,409	\$11,750	\$21,449
2020	0	14,370	7,500	31,367	2,409	11,750	21,449
2021	0	14,350	15,000	31,367	2,409	11,750	21,449
2022	0	14,410	15,000	31,367	2,409	11,750	21,449
2023	0	14,345	15,000	31,367	2,409	11,750	21,449
2024-2028	0	71,835	75,000	156,836	12,040	58,750	107,244
2029-2033	0	28,825	0	156,836	2,409	58,750	107,244
2034-2038	0	0	0	109,785	0	58,750	107,244
2039-2043	0	0	0	0	0	58,750	107,244
2044-2047	0	0	0	0	0	17,622	64,566
Total	\$33,387	\$172,505	\$142,500	\$580,292	\$26,494	\$311,372	\$600,787

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**
(Continued)

Note 11 – AMP Ohio

The Village is a member of American Municipal Power (AMP) and is a participant in the following AMP projects:

A. AMPGS

Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station ("AMPGS"), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately \$3 billion. In the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation, the EPC (engineer, procure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result of the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP members that had subscribed for capacity from AMPGS ("AMPGS Participants") voted to cease development of AMPGS as a coal fired project.

In August, 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

As of January 1, 2019, \$17,114,359 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and \$36,188,681 on AMP's Line of Credit was allocable to plant held for future use.

B. Prairie State Energy Campus

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the "*PSEC Ownership Interest*") in the Prairie State Energy Campus ("*PSEC*"), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("*AMP 368 LLC*"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the "*Initial Prairie State Bonds*") to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000.

On January 14, 2015 and November 30, 2017, AMP issued bonds (the "*Prairie State Refunding Bonds*") and, together with the Initial Prairie State Bonds, the "*Prairie State Bonds*") to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of January 1, 2019, AMP had \$1,537,430,000 aggregate principal amount of Prairie State Bonds outstanding.

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 11 – AMP Ohio (Continued)

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the “*Prairie State Power Sales Contract*”) with 68 Members (the “*Prairie State Participants*”). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

C. AMP Fremont Energy Center

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“*FirstEnergy*”) the Fremont Energy Center (“*AFEC*”), a combined cycle, natural gas fueled electric generating plant, then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. AFEC has a capacity of 512 MW (unfired)/675 MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser. AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “*90.69% Interest*”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 86 of its Members (the “*AFEC Power Sales Contract*”).

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “*2012 AFEC Bonds*”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the “*AFEC Refunding Bonds*” and, together with the 2012 AFEC Bonds, the “*AFEC Bonds*”) to refund a portion of the 2012 AFEC Bonds. As of January 1, 2019, \$499,105,000 aggregate principal amount of AFEC Bonds was outstanding.

D. Combined Hydroelectric Projects

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the “*Combined Hydroelectric Projects*”), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “*Combined Hydroelectric Bonds*”), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

**VILLAGE OF SHILOH, OHIO
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 11 – AMP Ohio (Continued)

As of January 1, 2019, \$2,222,975,882 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$31.6 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed a lawsuit against Voith Hydro, Inc. (“Voith”), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Project.

Note 12 – Subsequent Events

A. Wastewater Treatment Plant

The Village of Shiloh is currently under "Findings and Orders" from the Ohio Environmental Protection Agency related to the wastewater treatment plant. Construction on the new wastewater treatment plant began in 2020. The cost of the new plant is estimated at \$4,500,000.

B. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

C. Mayor’s Court

The Village suspended the Mayor’s Court for 2021 due to lack of activity in 2020.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Fiscal Distress

As of December 31, 2018, the General Fund had a deficit cash balance in the amount of (\$15,000). The Village has developed a management plan to analyze expenses traditionally posted to the General Fund in hopes of determining allowable allocation to other funds of the Village. As of January 27, 2021, the General Fund balance was \$40,542.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

Village of Shiloh
Richland County
13 West Main Street
Shiloh, Ohio 44878

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Shiloh, Richland County, Ohio, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated January 27, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 through 2019-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-002 through 2019-003.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 27, 2021

VILLAGE OF SHILOH
RICHLAND COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Village does not have sufficient internal controls in place to help ensure receipts, expenditures, and fund balances are properly classified on the financial statements. As a result, below are descriptions of the reclassifications and adjustments that were deemed material and required posting to the Village's December 31, 2019 and 2018 financial statements:

- In 2019, General Fund kilowatt tax receipts of \$17,255 were reclassified from other financing sources to property and other local taxes.
- In 2019, General Fund homestead & rollback receipts of \$3,030 were reclassified from property and other local taxes to intergovernmental.
- In 2019, General Fund mayor's court fee receipts of \$4,767 were reclassified from other financing sources to fines, licenses and permits.
- In 2019, Special Revenue Fund balance of \$71,961 was reclassified from unassigned to restricted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.
- In 2019, adjustments were made to correct Enterprise Fund loans issued and related capital outlay expenditures of \$43,186 which were improperly reported as Debt Service Fund on the financial statements.
- In 2019, Enterprise Fund debt principal payments of \$24,538 were reclassified from capital outlay to principal retirement.
- In 2019, adjustments were made to record Enterprise Fund loans issued and related capital outlay of \$9,400 for payments made by the Ohio Water Development Authority (OWDA) on behalf of the Village.
- In 2019, adjustments were made to record Enterprise Fund loans issued and related principal retirement of \$408,953 related to issuance of a new OWDA loan used to pay off two existing OWDA loans.
- In 2018, General Fund kilowatt tax receipts of \$20,634 were reclassified from other financing sources to property and other local taxes.
- In 2018, General Fund homestead & rollback receipts of \$575 were reclassified from property and other local taxes to intergovernmental.
- In 2018, General Fund mayor's court fee receipts of \$4,530 were reclassified from other financing sources to fines, licenses and permits.
- In 2018, adjustments were made to correct Enterprise Fund beginning balance of \$25,045, capital outlay expenditures of \$20,120, and ending fund balance of \$4,925 which was improperly reported as Capital Projects Fund on the financial statements.
- In 2018, adjustments were made to correct Enterprise Fund loans issued and related capital outlay expenditures of \$327,285 which were improperly reported as Debt Service Fund on the financial statements.
- In 2018 adjustments were made to record Enterprise Fund loans issued and related capital outlay of \$10,488 for payments made by the Ohio Water Development Authority (OWDA) on behalf of the Village.
- In 2018, Enterprise Fund beginning balance was increased by \$68,997 to agree to the prior year audited financial statements, due to corrections made to report December 2017 receipts in the year collected rather than January of the following year.

VILLAGE OF SHILOH
RICHLAND COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)

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

FINDING NUMBER 2019-001

Financial Reporting – Material Weakness (Continued)

- In 2018, Mayor's Court Fund fees of \$5,197 were reclassified from transfers out to other financing uses.
- In 2018, Mayor's Court Fund receipts and disbursements were decreased by \$480 to record activity in the proper year.

Also, several changes to the notes to the financial statements were required for both years to the debt and AMP Ohio disclosures, and to include the required property tax and GASB 54 fund balance classification disclosures that were omitted in 2019.

The Village has recorded these reclassifications and adjustments to the financial statements and accounting records.

By not ensuring proper financial statement presentation, the Village cannot report accurate financial activity to its constituents.

The Village should implement additional procedures to provide assurance over the completeness and accuracy of information recorded in their accounting records and reported within the financial statements. Such procedures may include additional reviews of the financial statements including the notes to the financial statements by a member of management and an analytical comparison of the current year annual report to the prior year annual report for obvious errors or omissions.

Officials' Response:

The Fiscal Officer will be implementing that a quarterly meeting be established with the financial committee. GASB 54 my understanding is how we handle encumbrances. I encumbered all active open P.O.s and closed all non-active P.O.s. I have asked AMP Ohio for an update of any outstanding debt with them. This will be included in my 2020 annual report.

VILLAGE OF SHILOH
RICHLAND COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)

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

FINDING NUMBER 2019-002

Revenue Posting – Material Noncompliance / Material Weakness

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village does not have sufficient internal controls in place to help ensure financial transactions are properly recorded in the accounting ledgers. As a result, the Village posted receipts to improper funds as follows:

- In 2018, Police Fund homestead & rollback receipts totaling \$1,811 were incorrectly posted to the General Fund.
- In 2018, Police Fund court computer receipts totaling \$250 were incorrectly posted to the Mayor's Court Fund.
- In 2019, Police Fund homestead & rollback receipts totaling \$1,848 were incorrectly posted to the General Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting these misstatements.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Village should implement internal control procedures to review revenue sources for possible restrictions. This will help ensure all receipts are posted to the proper funds.

Officials' Response:

This has been completed on 2/10/2021. Deposits to the General and Police funds will be according to the statement of semi-annual apportionment of taxes received from the county auditor.

VILLAGE OF SHILOH
RICHLAND COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)

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

FINDING NUMBER 2019-003

Budgetary Requirements – Material Noncompliance / Material Weakness

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Ohio Rev. Code § 5705.39 states in part no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate.

In 2019, the Village Council approved annual appropriation measures. However, these documents were not submitted to the Richland County Auditor. Therefore, the Richland County Auditor could not certify that appropriations did not exceed the official or amended estimate of resources. This was not detected by the Village due to deficiencies in the budgetary compliance and monitoring control policies and procedures. As a result, all expenditures in 2019 exceeded a duly authorized appropriation measure.

The Village has revised the 2019 notes to the financial statements to address this noncompliance.

The Village should consult its legal counsel and review the Ohio Compliance Supplement to develop a schedule to ensure all annual budgetary filings are made on time and compliance requirements are met.

Officials' Response:

The Fiscal Officer at present has already started the process with County Auditor with appropriations.

Village of Shiloh

RICHLAND COUNTY

13 W. Main Street • P.O. Box 242 • Shiloh, OH 44878

PHONE: 419-896-2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Material Weakness – Financial Reporting (Finding first occurred in 2011)	Not Corrected	There were multiple adjustments made to the 2018 and 2019 financial statements as noted in current audit Finding 2019-001. See Officials' Response for planned corrective action.
2017-002	Revenue Posting – Material Noncompliance / Material Weakness	Not Corrected	There were material revenue mispostings during 2018 and 2019 as noted in current audit Finding 2019-002. See Officials' Response for planned corrective action.
2017-003	On-Behalf Payments – Material Noncompliance / Material Weakness	Fully Corrected	
2017-004	Utility Charges for Services – Material Weakness	Fully Corrected	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SHILOH

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 2/23/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov