



**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



VILLAGE OF SHILOH  
RICHLAND COUNTY

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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, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2002, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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.

**Jim Petro**  
Auditor of State

April 12, 2002

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**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, 2001**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$15,896	\$11,937	\$0	\$0	\$27,833
Intergovernmental	41,669	78,390	160,580		280,639
Fines, Licenses, and Permits	4,012	410			4,422
Earnings on Investments	4,796				4,796
Miscellaneous	7,660			95	7,755
<b>Total Cash Receipts</b>	<b>74,033</b>	<b>90,737</b>	<b>160,580</b>	<b>95</b>	<b>325,445</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	15,000	11,245			26,245
Public Health Services	326				326
Leisure Time Activities	789				789
Community Environment	1,239			129	1,368
Basic Utility Services	3,570				3,570
Transportation	27,510	35,052			62,562
General Government	39,750				39,750
Debt Service:					
Principal Payments	1,058				1,058
Capital Outlay	6,414	59,478	160,580		226,472
<b>Total Cash Disbursements</b>	<b>95,656</b>	<b>105,775</b>	<b>160,580</b>	<b>129</b>	<b>362,140</b>
Total Cash Receipts (Under) Cash Disbursements	(21,623)	(15,038)	0	(34)	(36,695)
<b>Other Financing Receipts:</b>					
Proceeds of Loan		12,700			12,700
Other Sources	13,944				13,944
<b>Total Other Financing Receipts</b>	<b>13,944</b>	<b>12,700</b>	<b>0</b>	<b>0</b>	<b>26,644</b>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(7,679)	(2,338)	0	(34)	(10,051)
Fund Cash Balances, January 1	82,575	74,370	0	980	157,925
<b>Fund Cash Balances, December 31</b>	<b>\$74,896</b>	<b>\$72,032</b>	<b>\$0</b>	<b>\$946</b>	<b>\$147,874</b>
Reserves for Encumbrances, December 31	\$3,166	\$646	\$0	\$0	\$3,812

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

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**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, 2001**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$402,528	\$0	\$402,528
<b>Operating Cash Disbursements:</b>			
Personal Services	49,762		49,762
Contractual Services	236,661		236,661
Supplies and Materials	66,257		66,257
Capital Outlay	17,768		17,768
Total Operating Cash Disbursements	370,448	0	370,448
Operating Income	32,080	0	32,080
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts		5,537	5,537
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	14,365		14,365
Other Non-Operating Cash Disbursements	1,646	5,537	7,183
Total Non-Operating Cash Disbursements	16,011	5,537	21,548
Net Cash Receipts Over Cash Disbursements	16,069	0	16,069
Fund Cash Balances, January 1	416,925	0	416,925
<b>Fund Cash Balances, December 31</b>	<b>\$432,994</b>	<b>\$0</b>	<b>\$432,994</b>
Reserves for Encumbrances, December 31	\$56,210	\$0	\$56,210

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



**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**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, 2000**

	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	\$15,601	\$11,377	\$0	\$0	\$26,978
Intergovernmental	40,794	43,327			84,121
Fines, Licenses, and Permits	9,191	470			9,661
Earnings on Investments	8,866				8,866
Miscellaneous	7,220				7,220
<b>Total Cash Receipts</b>	<b>81,672</b>	<b>55,174</b>	<b>0</b>	<b>0</b>	<b>136,846</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	10,000	11,479			21,479
Public Health Services	118				118
Leisure Time Activities	913				913
Community Environment	1,413				1,413
Basic Utility Services	909				909
Transportation	41,343	21,511			62,854
General Government	44,984	374			45,358
Debt Service:					
Principal Payments			3,200		3,200
Interest Payments			11,225		11,225
Capital Outlay	15,474				15,474
<b>Total Cash Disbursements</b>	<b>115,154</b>	<b>33,364</b>	<b>14,425</b>	<b>0</b>	<b>162,943</b>
Total Cash Receipts (Under)/Over Cash Disbursements	(33,482)	21,810	(14,425)	0	(26,097)
<b>Other Financing Receipts:</b>					
Transfers-In			14,425		14,425
Excess of Cash Receipts and Other Financing Receipts (Under)/Over Cash Disbursements	(33,482)	21,810	0	0	(11,672)
Fund Cash Balances, January 1	116,057	52,560	0	980	169,597
<b>Fund Cash Balances, December 31</b>	<b>\$82,575</b>	<b>\$74,370</b>	<b>\$0</b>	<b>\$980</b>	<b>\$157,925</b>
Reserves for Encumbrances, December 31	\$1,073	\$1,309	\$0	\$0	\$2,382

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

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

**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, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$411,444	\$0	\$411,444
Miscellaneous	8,185		8,185
<b>Total Operating Cash Receipts</b>	<b>419,629</b>	<b>0</b>	<b>419,629</b>
<b>Operating Cash Disbursements:</b>			
Personal Services	48,931		48,931
Contractual Services	225,708		225,708
Supplies and Materials	58,557		58,557
Capital Outlay	10,414		10,414
<b>Total Operating Cash Disbursements</b>	<b>343,610</b>	<b>0</b>	<b>343,610</b>
Operating Income	76,019	0	76,019
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts		10,586	10,586
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	1,438	10,586	12,024
Excess of Cash Receipts Over Cash Disbursements Before Interfund Transfers	74,581	0	74,581
Transfers-Out	(14,425)		(14,425)
Net Cash Receipts Over Cash Disbursements	60,156	0	60,156
Fund Cash Balances, January 1	356,769	0	356,769
<b>Fund Cash Balances, December 31</b>	<b>\$416,925</b>	<b>\$0</b>	<b>\$416,925</b>
Reserves for Encumbrances, December 31	\$25,792	\$0	\$25,792

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

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Shiloh, Richland County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general government services, including water, sewer and electric activities; 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.

Investments are included in the cash fund balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**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:

VILLAGE OF SHILOH  
RICHLAND COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

*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.

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

3. Debt Service Fund

This fund is used to accumulate resources for the payment of note indebtedness. The Village had the following 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. Capital Projects Fund

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

*State Issue 2 Fund* - This fund is used to account for projects financed with State Issue 2 monies in the Village.

5. 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.

VILLAGE OF SHILOH  
RICHLAND COUNTY

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

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

**D. Fund Accounting (Continued)**

**6. 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.

**E. Budgetary Process**

The 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, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

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

**F. Property, Plant and Equipment**

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

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

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

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND 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:

	2001	2000
Demand deposits	\$251,316	\$247,070
Certificates of deposit	285,000	285,000
Total deposits	536,316	532,070
 STAR Ohio	 44,552	 42,780
Total deposits and investments	\$580,868	\$574,850

**Deposits:** Deposits are either insured by the Federal Depository 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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000, was as follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$75,490	\$87,977	\$12,487
Special Revenue	50,800	103,437	52,637
Capital Projects	0	160,580	160,580
Enterprise	420,445	402,528	(17,917)
Expendable Trust	2,000	95	(1,905)
Total	\$548,735	\$754,617	\$205,882

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$156,593	\$98,822	\$57,771
Special Revenue	119,218	106,421	12,797
Capital Projects	0	160,580	(160,580)
Enterprise	834,192	442,669	391,523
Expendable Trust	2,398	129	2,269
Total	\$1,112,401	\$808,621	\$303,780

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$77,000	\$81,672	\$4,672
Special Revenue	45,900	55,174	9,274
Debt Service	15,300	14,425	(875)
Enterprise	378,400	419,629	41,229
Expendable Trust	1,500	0	(1,500)
Total	\$518,100	\$570,900	\$52,800

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$196,714	\$116,227	\$80,487
Special Revenue	91,142	34,673	56,469
Capital Projects	15,300	14,425	875
Enterprise	724,486	385,265	339,221
Expendable Trust	2,398	129	2,269
Total	\$1,030,040	\$550,719	\$479,321

**VILLAGE OF SHILOH  
RICHLAND COUNTY**

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

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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, 2001, was as follows:

	Principal	Interest Rate
USDA Loan	\$218,000	5.00%
OPWC Loan	11,642	0.00%
Total	\$229,642	

The USDA (United States Department of Agriculture) 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. The loan is collateralized by water and sewer receipts.

The OPWC (Ohio Public Works Commission) Loan relates to a Village street resurfacing project. The loan was issued in 2001 in the amount of \$12,700. The loan will be repaid in semi-annual payments of \$529 over 12 years. There is no interest on this loan.

Amortization of the above debt, including interest (USDA Loan only), is scheduled as follows:

	USDA Loan	OPWC Loan
Year ending December 31:		
2002	\$14,400	\$1,058
2003	14,425	1,058
2004	14,440	1,058
2005	14,445	1,058
2006	14,440	1,058
Subsequent	345,190	6,352
Total	\$417,340	\$11,642



**VILLAGE OF SHILOH  
RICHLAND COUNTY**

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

**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 postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

**7. RISK MANAGEMENT**

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

PEP retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

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

VILLAGE OF SHILOH  
RICHLAND COUNTY

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

7. RISK MANAGEMENT (Continued)

Financial Position

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

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$17,112,129	\$15,295,389
Liabilities	<u>7,715,035</u>	<u>6,636,543</u>
Retained earnings	<u>\$9,397,094</u>	<u>\$8,658,846</u>

<u>Property Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$1,575,614	\$1,118,222
Liabilities	<u>281,561</u>	<u>279,871</u>
Retained earnings	<u>\$1,294,053</u>	<u>\$838,351</u>

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



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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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 accompanying financial statements of the Village of Shiloh, Richland County, Ohio, (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 12, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 12, 2002.

**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 12, 2002.

Village of Shiloh  
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Report of Independent Accountants on Compliance and on Internal Control  
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This report is intended solely for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 12, 2002



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, 2002**