



Certified Public Accountants, A.C.

**VILLAGE OF GETTYSBURG
DARKE COUNTY
Regular Audit
For the Years Ended December 31, 2017 and 2016**

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Dave Yost • Auditor of State

Village Council
Village of Gettysburg
216 High Street
Gettysburg, Ohio 45328

We have reviewed the *Independent Auditor's Report* of the Village of Gettysburg, Darke County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 27, 2018

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VILLAGE OF GETTYSBURG
DARKE COUNTY

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INDEPENDENT AUDITOR'S REPORT

July 2, 2018

Village of Gettysburg
Darke County
216 High Street
Gettysburg, Ohio 45328

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 Gettysburg**, Darke County, (the Village) as of and for the years ended December 31, 2017 and 2016.

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 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.

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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, 2017 and 2016, or changes in financial position or cash flows 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 of Gettysburg, Darke County as of December 31, 2017 and 2016, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2018, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 15,048	\$ 37,042	\$ -	\$ 52,090
Municipal Income Tax	83,629	-	-	83,629
Intergovernmental	43,451	31,176	-	74,627
Charges for Services	1,437	-	-	1,437
Fines, Licenses, Permits	3,752	-	-	3,752
Earnings on Investments	577	-	-	577
Miscellaneous	1,365	9,311	10,728	21,404
<i>Total Cash Receipts</i>	<u>149,259</u>	<u>77,529</u>	<u>10,728</u>	<u>237,516</u>
Cash Disbursements				
Current:				
Security of Persons and Property	16,018	39,426	-	55,444
Public Health Services	854	-	-	854
Leisure Time Activities	4,000	16,147	5,791	25,938
Transportation	1,970	12,396	-	14,366
General Government	52,235	735	1,105	54,075
Capital Outlay	-	950	-	950
Debt Service:				
Principal Retirement	-	5,563	7,097	12,660
Interest and Fiscal Charges	-	-	1,750	1,750
<i>Total Cash Disbursements</i>	<u>75,077</u>	<u>75,217</u>	<u>15,743</u>	<u>166,037</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>74,182</u>	<u>2,312</u>	<u>(5,015)</u>	<u>71,479</u>
Other Financing Receipts (Disbursements)				
Advances In	-	-	11,300	11,300
Advances Out	(11,300)	-	-	(11,300)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(11,300)</u>	<u>-</u>	<u>11,300</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	62,882	2,312	6,285	71,479
<i>Fund Cash Balances, January 1</i>	<u>6,067</u>	<u>45,260</u>	<u>99</u>	<u>51,426</u>
Fund Cash Balances, December 31				
Restricted	-	47,572	-	47,572
Committed	-	-	6,384	6,384
Assigned	2,823	-	-	2,823
Unassigned	66,126	-	-	66,126
<i>Fund Cash Balances, December 31</i>	<u>\$ 68,949</u>	<u>\$ 47,572</u>	<u>\$ 6,384</u>	<u>\$ 122,905</u>

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 279,591
<i>Total Operating Cash Receipts</i>	279,591
Operating Cash Disbursements	
Personal Services	26,648
Employee Fringe Benefits	2,969
Contractual Services	141,140
Supplies and Materials	22,669
Other	187
<i>Total Operating Cash Disbursements</i>	193,613
<i>Operating Income</i>	85,978
Non-Operating Receipts (Disbursements)	
Special Assessments	15
Miscellaneous Receipts	4,584
Capital Outlay	(5,713)
Principal Retirement	(102,929)
Interest and Other Fiscal Charges	(981)
<i>Total Non-Operating Receipts (Disbursements)</i>	(105,024)
<i>Net Change in Fund Cash Balances</i>	(19,046)
<i>Fund Cash Balances, January 1</i>	107,546
<i>Fund Cash Balances, December 31</i>	\$ 88,500

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 – Reporting Entity

The Village of Gettysburg (the Village), Darke 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 trash collection, water and sewer utilities, and park operations. The Village contracts with the Darke County Sheriff's department to provide security of persons and property. The Village contracts with Gettysburg Fire and Rescue to receive fire protection services.

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 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 Fund This 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.

State Highway This fund receives gasoline and motor vehicle tax money for maintaining the portion of state highway that passes through the village corporation.

Parks and Recreation This fund receives donations, grants and occasional General Fund contributions to maintain and improve the Gettysburg Community Park.

Gettysburg Youth Fund This fund receives donations to fund projects that will benefit Gettysburg youth.

Permissive Motor Vehicle License Tax This fund receives permissive motor vehicle license tax money constructing, maintaining, and repairing Village streets.

Other Special Revenue This fund receives money from Fire and EMS operating levy to fund emergency services.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Gettysburg School Fund This fund receives contributions and user fees for repair and maintenance of the Cardinal Center.

Grant Construction Fund This fund receives grant awards for construction projects.

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:

Water Operating Fund This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund This fund receives charges for services from residents to cover sewer service costs.

Trash Collection Fund This fund receives charges for services from residents to cover trash collections costs.

Sanitary Sewer – Debt Retirement Fund This fund receives charges for services from residents to cover sanitary sewer debt retirement.

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. Unencumbered 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.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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 reappropriated.

A summary of 2017 budgetary activity appears in Note 3.

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.

Money market mutual funds are recorded at share values the mutual funds report. 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 GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (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 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 76,313	\$ 149,259	\$ 72,946
Special Revenue	70,920	77,529	6,609
Capital Projects	335,950	10,728	(325,222)
Enterprise	248,550	284,190	35,640
Total	\$ 731,733	\$ 521,706	\$ (210,027)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,380	\$ 75,870	\$ 6,510
Special Revenue	115,718	75,232	40,486
Capital Projects	336,020	15,743	320,277
Enterprise	355,893	304,206	51,687
Total	\$ 890,011	\$ 471,051	\$ 418,960

Note 4 – Deposits

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2017 was as follows:

Demand deposits	\$ 133,918
Certificates of Deposit	44,689
Total deposits	178,607
Star Ohio	32,798
Total investments	32,798
Total deposits and investments	\$ 211,405

Deposits are insured by the Federal Depository Insurance Corporation.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 5 – 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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

Income Taxes

The Village levies a municipal income tax of 1.0 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village 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 healthcare 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, 2017.

Note 8 - 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 members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 9 - Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
OPWC Loan - Wellsite & Wells CK720	\$ 10,000	0.00%
VCIF/OWDA - Water Treatment #3675	46,983	2.00%
OPWC Loan - Water Treatment - CT42F	60,471	0.00%
OPWC Loan - Bridge St Phase I CT29G	13,223	0.00%
OPWC Loan - Bridge St Phase II CT36H	15,200	0.00%
OPWC Loan - Bridge St Phase III CK05J	19,950	0.00%
WPCLF Surplus Fund OWDA #4808	750,120	0.00%
OPWC Loan - Central Wastewater Collection CT21K	58,667	0.00%
Greenville National Bank - Cardinal Center	47,996	3.00%
Total	\$ 1,022,610	

The OPWC Loan – Wellsite & Wells CK720 was for the well field replacement project. Payments are due semiannual in the amount of \$10,000 with final payment January 1, 2018.

The OPWC – Water Treatment CT42F loan was for the construction of a new water treatment plant for the Village. Semiannual payments are due in the amount of \$4,652, with final payment January 1, 2024.

The OPWC Loans Bridge Street Phase I, Phase II, and Phase III consist of three loans for the Phase I, II, and III bridge street project. Payments are due semiannual in the amount of \$882, \$950, respectively with final payments due January 1, 2028.

The VCIF/OWDA – Water Treatment #3675 loan is for the study and construction of a water treatment plant for the Village. The Village was approved \$100,000 in loan proceeds. The Village returned \$15,735 of unused loan proceeds, reducing the original loan to \$84,265. The loan will be repaid in semiannual installments of \$1,874 including interest over 30 years, with final payment July 1, 2032. The loan is to be repaid from the Village’s water revenues.

The WPCLF Surplus Fund OWDA #4808 loan was for the engineering services on the waste water treatment plant. The Village was approved for \$1,363,854 in 2007. The Village used this loan to pay off outstanding OWDA loan of \$102,500 in 2007. Funds will be disbursed to pay contractors for the new waste water treatment plant. Payments will be made in 10 annual installments commencing approximately two years following the loan award.

The OPWC – Central Wastewater Collection and Transportation – CT21K was for the installation, repair and transportation of waste water for the Village. This loan will be repaid in semiannual payments in the amount of \$1,333, with final payment in July 2039.

The Greenville National Bank – Cardinal Center loan of \$75,000 was for satisfying the remaining balance of \$19,500 on a land contract for the purchase of the old Gettysburg School building and property. The remaining amount of the loan was earmarked for the installation of new furnaces and miscellaneous repairs. It is a 10 year note with a monthly payment of \$737 to be completed in December 2023.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 9 – Debt (Continued)

The OPWC – Main Street Reconstruction-Phase II – CT29S and CT30S was entered into on July 1, 2015. This project was for the reconstruction of Main Street from Clay Street proceeding east to the corporation limits as well as the replacement of concrete curbs, drive aprons and sidewalk. As of December 31, 2017, no funds had been received from the project.

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

Year ending December 31:	OPWC CK720	OWDA 3675	OPWC CT42F	OPWC CT29G	OPWC CT36H
2018	\$ 10,000	\$ 1,452	\$ 9,303	\$ 1,763	\$ 1,900
2019	-	3,749	9,303	1,763	1,900
2020	-	3,749	9,303	1,763	1,900
2021	-	3,748	9,303	1,763	1,900
2022	-	3,748	9,303	1,763	1,900
2023-2027	-	18,744	13,956	4,408	5,700
2028-2032	-	18,743	-	-	-
2033-2037	-	-	-	-	-
2038-2041	-	-	-	-	-
Total	<u>\$ 10,000</u>	<u>\$ 53,933</u>	<u>\$ 60,471</u>	<u>\$ 13,223</u>	<u>\$ 15,200</u>

Year ending December 31:	OPWC CK05J	OWDA 4808	OPWC CT21K	Greenville National
2018	\$ 1,900	\$ 34,096	\$ 2,667	\$ 8,848
2019	1,900	68,193	2,667	8,848
2020	1,900	68,193	2,667	8,848
2021	1,900	68,193	2,667	8,848
2022	1,900	68,193	2,667	8,847
2023-2027	9,500	340,965	13,330	8,847
2028-2032	950	102,287	13,333	-
2033-2037	-	-	13,335	-
2038-2041	-	-	5,334	-
Total	<u>\$ 19,950</u>	<u>\$ 750,120</u>	<u>\$ 58,667</u>	<u>\$ 53,086</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$ 15,474	\$ 20,447	\$ -	\$ 35,921
Intergovernmental	41,879	26,955	452,984	521,818
Charges for Services	5,483	-	-	5,483
Fines, Licenses, Permits	3,686	-	-	3,686
Earnings on Investments	257	-	-	257
Miscellaneous	407	10,955	35,746	47,108
<i>Total Cash Receipts</i>	<u>67,186</u>	<u>58,357</u>	<u>488,730</u>	<u>614,273</u>
Cash Disbursements				
Current:				
Security of Persons and Property	12,209	20,104	-	32,313
Public Health Services	1,683	-	-	1,683
Leisure Time Activities	3,200	7,767	5,138	16,105
Transportation	935	15,785	-	16,720
General Government	58,968	433	22,949	82,350
Capital Outlay	-	4,649	452,984	457,633
Debt Service:				
Principal Retirement	-	5,563	6,857	12,420
Interest and Fiscal Charges	-	-	1,991	1,991
<i>Total Cash Disbursements</i>	<u>76,995</u>	<u>54,301</u>	<u>489,919</u>	<u>621,215</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,809)</u>	<u>4,056</u>	<u>(1,189)</u>	<u>(6,942)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	250	250
Transfers Out	(250)	-	-	(250)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(250)</u>	<u>-</u>	<u>250</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(10,059)	4,056	(939)	(6,942)
<i>Fund Cash Balances, January 1</i>	<u>16,126</u>	<u>41,204</u>	<u>1,038</u>	<u>58,368</u>
Fund Cash Balances, December 31				
Restricted	-	45,260	-	45,260
Committed	-	-	99	99
Assigned	6,067	-	-	6,067
<i>Fund Cash Balances, December 31</i>	<u>\$ 6,067</u>	<u>\$ 45,260</u>	<u>\$ 99</u>	<u>\$ 51,426</u>

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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 276,948
<i>Total Operating Cash Receipts</i>	276,948
Operating Cash Disbursements	
Personal Services	16,192
Employee Fringe Benefits	3,019
Contractual Services	138,745
Supplies and Materials	33,107
<i>Total Operating Cash Disbursements</i>	191,063
<i>Operating Income</i>	85,885
Non-Operating Receipts (Disbursements)	
Special Assessments	344
Miscellaneous Receipts	334
Capital Outlay	(3,646)
Principal Retirement	(102,876)
Interest and Other Fiscal Charges	(1,036)
<i>Total Non-Operating Receipts (Disbursements)</i>	(106,880)
<i>Net Change in Fund Cash Balances</i>	(20,995)
<i>Fund Cash Balances, January 1</i>	128,541
<i>Fund Cash Balances, December 31</i>	\$ 107,546

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1 – Reporting Entity

The Village of Gettysburg (the Village), Darke 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 trash collection, water and sewer utilities, and park operations. The Village contracts with the Darke County Sheriff's department to provide security of persons and property. The Village contracts with Gettysburg Fire and Rescue to receive fire protection services.

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 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 Fund This 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.

State Highway This fund receives gasoline and motor vehicle tax money for maintaining the portion of state highway that passes through the village corporation.

Parks and Recreation This fund receives donations, grants and occasional General Fund contributions to maintain and improve the Gettysburg Community Park.

Gettysburg Youth Fund This fund receives donations to fund projects that will benefit Gettysburg youth.

Permissive Motor Vehicle License Tax This fund receives permissive motor vehicle license tax money constructing, maintaining, and repairing Village streets.

Other Special Revenue This fund receives money from Fire and EMS operating levy to fund emergency services.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Gettysburg School Fund This fund receives contributions and user fees for repair and maintenance of the Cardinal Center.

Grant Construction Fund This receives grant awards for construction projects.

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:

Water Operating Fund This fund receives charges for services from residents to cover water service costs.

Sewer Operating Fund This fund receives charges for services from residents to cover sewer service costs.

Trash Collection Fund This fund receives charges for services from residents to cover trash collections costs.

Sanitary Sewer – Debt Retirement Fund This fund receives charges for services from residents to cover sanitary sewer debt retirement.

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.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

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 2016 budgetary activity appears in Note 3.

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.

Money market mutual funds are recorded at share values the mutual funds report. 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 GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (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 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 66,234	\$ 67,186	\$ 952
Special Revenue	64,390	58,357	(6,033)
Capital Projects	813,412	488,980	(324,432)
Enterprise	286,300	277,626	(8,674)
Total	\$ 1,230,336	\$ 892,149	\$ (338,187)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 70,511	\$ 77,245	\$ (6,734)
Special Revenue	75,267	54,301	20,966
Capital Projects	790,508	489,919	300,589
Enterprise	306,098	298,621	7,477
Total	\$ 1,242,384	\$ 920,086	\$ 322,298

Note 4 – Deposits and Investments

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2016 was as follows:

Demand deposits	\$ 81,994
Certificates of Deposit	44,527
Total deposits	126,521
Star Ohio	32,451
Total investments	32,451
Total deposits and investments	\$ 158,972

Deposits are insured by the Federal Depository Insurance Corporation.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 5 – 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 homestead and rollback deductions. The financial statements include homestead and rollback 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 6 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village 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 healthcare 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, 2016.

Note 8 - 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 members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 9 - Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
OPWC Loan - Wellsite & Wells CK720	\$ 30,000	0.00%
VCIF/OWDA - Water Treatment #3675	49,751	2.00%
OPWC Loan - Water Treatment - CT42F	69,775	0.00%
OPWC Loan - Bridge St Phase I CT29G	14,986	0.00%
OPWC Loan - Bridge St Phase II CT36H	17,100	0.00%
OPWC Loan - Bridge St Phase III CK05J	21,850	0.00%
WPCLF Surplus Fund OWDA #4808	818,312	0.00%
OPWC Loan - Central Wastewater Collection CT21K	61,333	0.00%
Greenville National Bank - Cardinal Center	55,092	3.00%
Total	\$ 1,138,199	

The OPWC Loan – Wellsite & Wells CK720 was for the well field replacement project. Payments are due semiannual in the amount of \$10,000 with final payment January 1, 2018.

The OPWC – Water Treatment CT42F loan was for the construction of a new water treatment plant for the Village. Semiannual payments are due in the amount of \$4,652, with final payment January 1, 2024.

The OPWC Loans Bridge Street Phase I, Phase II, and Phase III consist of three loans for the Phase I, II, and III bridge street project. Payments are due semiannual in the amount of \$882, \$950, respectively with final payments due January 1, 2028.

The VCIF/OWDA – Water Treatment #3675 loan is for the study and construction of a water treatment plant for the Village. The Village was approved \$100,000 in loan proceeds. The Village returned \$15,735 of unused loan proceeds, reducing the original loan to \$84,265. The loan will be repaid in semiannual installments of \$1,874 including interest over 30 years, with final payment July 1, 2032. The loan is to be repaid from the Village’s water revenues.

The WPCLF Surplus Fund OWDA #4808 loan was for the engineering services on the waste water treatment plant. The Village was approved for \$1,363,854 in 2007. The Village used this loan to pay off outstanding OWDA loan of \$102,500 in 2007. Funds will be disbursed to pay contractors for the new waste water treatment plant. Payments will be made in 10 annual installments commencing approximately two years following the loan award.

The OPWC – Central Wastewater Collection and Transportation – CT21K was for the installation, repair and transportation of waste water for the Village. This loan will be repaid in semiannual payments in the amount of \$1,333, with final payment in July 2039.

The Greenville National Bank – Cardinal Center loan of \$75,000 was for satisfying the remaining balance of \$19,500 on a land contract for the purchase of the old Gettysburg School building and property. The remaining amount of the loan was earmarked for the installation of new furnaces and miscellaneous repairs. It is a 10 year note with a monthly payment of \$737 to be completed in December 2023.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 9 – Debt (Continued)

The OPWC – Main Street Reconstruction-Phase II – CT29S and CT30S was entered into on July 1, 2015. This project was for the reconstruction of Main Street from Clay Street proceeding east to the corporation limits as well as the replacement of concrete curbs, drive aprons and sidewalk. As of December 31, 2016, no funds had been received from the project.

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

Year ending December 31:	OPWC CK720	OWDA 3675	OPWC CT42F	OPWC CT29G	OPWC CT36H
2017	\$ 10,000	\$ 1,874	\$ 9,303	\$ 1,763	\$ 1,900
2018	10,000	3,749	9,303	1,763	1,900
2019	10,000	3,749	9,303	1,763	1,900
2020	-	3,749	9,303	1,763	1,900
2021	-	3,749	9,303	1,763	1,900
2022-2026	-	18,744	23,260	6,171	7,600
2027-2031	-	18,744	-	-	-
2032-2036	-	1,874	-	-	-
2037-2040	-	-	-	-	-
Total	<u>\$ 30,000</u>	<u>\$ 56,233</u>	<u>\$ 69,775</u>	<u>\$ 14,986</u>	<u>\$ 17,100</u>

Year ending December 31:	OPWC CK05J	OWDA 4808	OPWC CT21K	Greenville National
2017	\$ 1,900	\$ 34,096	\$ 2,667	\$ 8,848
2018	1,900	68,193	2,667	8,848
2019	1,900	68,193	2,667	8,848
2020	1,900	68,193	2,667	8,848
2021	1,900	68,193	2,667	8,847
2022-2026	9,500	340,965	13,330	17,695
2027-2031	2,850	170,479	13,333	-
2032-2036	-	-	13,335	-
2037-2040	-	-	8,000	-
Total	<u>\$ 21,850</u>	<u>\$ 818,312</u>	<u>\$ 61,333</u>	<u>\$ 61,934</u>

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



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

July 2, 2018

Village of Gettysburg
Darke County
216 High Street
Gettysburg, Ohio 45328

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 of the **Village of Gettysburg**, Darke County (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated July 2, 2018, 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.

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 audit findings that we consider material weaknesses. We consider findings 2017-001 through 2017-003 to be material weaknesses.

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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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as items 2017-002 through 2017-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 2, 2018.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the Village's responses and, accordingly, we express no opinions 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 communication is not suitable for any other purpose.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

FINDING NUMBER 2017-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. Fund Balances should be properly Classified based on Government Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2017 and 2016, several receipts, disbursements, and fund balances were not posted to accurate classifications. The following posting errors were noted:

- Debt payments were not correctly allocated to principal and interest in 2017;
- Budget carryover for the General Fund should have been classified as Assigned instead of Unassigned in 2017 and 2016;
- Rental fees for the Cardinal Center were classified as Charges for Services instead of Miscellaneous in 2016.
- Parks and Recreation Fund balances of \$9,587 and \$13,880 was reported as committed rather than restricted in 2017 and 2016 respectively.
- Gettysburg Youth Fund balance of \$3,461 and \$3,691 was reported as committed rather than restricted in 2017 and 2016 respectively.
- Ambulance/EMS Fund balance of \$302 was reported as committed rather than restricted in 2017.

Not posting revenues, disbursements, and fund balances accurately resulted in the financial statements requiring several reclassifications. The accompanying financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and disbursements are properly identified and classified on the financial statements.

We recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts. In addition, the Fiscal should refer to the Auditor of State Technical Bulletin 2011-004 for information on fund balance classifications.

Management's Response – After reading the Audit Findings and speaking with the Auditor, I have scheduled some additional consultation and training (via outside consultant) to better understand the classification of fund balances. When it comes time to do the Financial Reporting for 2018, I will again bring in a consultant to assist in preparing the Financial Reports and Statements to ensure we are following proper procedure, classifying and filing correctly.

VILLAGE OF GETTYSBURG
DARKE COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-002

Material Weakness/Noncompliance

Ohio Rev. Code § 5705.42 requires, in part, when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity or function of such subdivision, the amount is deemed appropriated and shall be recorded by the subdivision.

In 2016 the Ohio Public Works Commission (OPWC) made two payments on-behalf of the Village. The receipts and disbursements for these payments were not recorded in the Village's accounting system resulting in understatements of both Intergovernmental Revenue and Capital Outlay disbursements of \$193,624.30 in the Capital Projects Fund. The Village also did not post the appropriations for these monies to the accounting system.

Failure to properly post appropriations and record on-behalf monies can result in inaccurate financial statements. The posting of appropriations and recording of on-behalf monies is not only required by statute, but is a key control in the reporting process to assure the financial statements are properly and accurately presented.

The accompanying financial statements were adjusted to reflect the activity.

To help improve control over financial reporting, the Village should appropriate and the Fiscal Officer should record on-behalf monies. The Fiscal Officer should also review Auditor of State Bulletin 2000-008 "Accounting for Cash Basis Local Governments' Participation in On-Behalf-Of Grants or Improvement Projects" and Auditor of State Bulletin 2002-004 "Public Works Commissions Infrastructure Project Accounting" for guidance for properly accounting for such activity.

Management's Response – These payments, receipts and missing appropriations were done in 2016 by a former fiscal officer. I cannot comment on these findings other than ensure that we maintain proper processes in payments, receipts, and appropriations.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2017-003

Material Weakness/Noncompliance

Advances Not Temporary

Advances are temporary loans to other funds which are ultimately going to be repaid. Advances must be made from a less restricted fund to a more restricted fund. The Village Council must pass a resolution authorizing an advance. The resolution should include, at a minimum, the following information: 1) amount of the advance; 2) name of the fund loaning the money and the name of the fund receiving the money; and, 3) an estimated date for repayment. The intent of a cash advance is to require repayment within the current year.

In 2016, the Fiscal Officer advanced funds from the Sanitary Sewer-Debt Retirement fund to the Water operating fund in the amount of \$14,652. We noted this advance was not repaid and not allowable.

We recommend the Fiscal Officer should review ORC Sections 5705.14 through 5705.16 to become familiar with transfer and advance requirements.

Management's Response – The advanced mentioned in this finding, which was 'not allowable' was made by a former fiscal officer. I was made aware of it in early 2017. I made Council aware that it was a 'no allowable' advance that needed adjusted. It was decided to budget and appropriate the money to repay the advance in 2018 and has since been repaid.

FINDING NUMBER 2017-004

Noncompliance

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

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2017-004 (CONTINUED)

Noncompliance (Continued)

Ohio Revised Code Section 5705.41(D) (Continued)

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 43% of the expenditures tested for 2017 and for 14% of the expenditures tested for 2016.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Management's Response – Having more training and experience in my post, I have already established a better, and more accurate process of certifying disbursements.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Posting Transactions	Not Corrected	Reissued as Finding 2017-001
2015-002	Ohio Rev. Code 5705.42	Not Corrected	Reissued as Finding 2017-002
2015-003	GASB 54 Presentation	Not Corrected	Reissued as Finding 2017-001

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Dave Yost • Auditor of State

VILLAGE OF GETTYSBURG

DARKE 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
AUGUST 9, 2018