



**VILLAGE OF GETTYSBURG
DARKE COUNTY
Regular Audit
For the Years Ended December 31, 2019 and 2018**

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Marietta, OH 45750
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Vienna, WV 26105
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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Gettysburg
PO Box 399
Gettysburg, Ohio 45771

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, 2018 through December 31, 2019. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 1, 2020

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VILLAGE OF GETTYSBURG
DARKE COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Independent Auditor's Report..... | 1 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019 | 3 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2019 | 4 |
| Notes to the Financial Statements 2019 | 5 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018 | 13 |
| Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2018 | 14 |
| Notes to the Financial Statements 2018 | 15 |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 23 |
| Schedule of Audit Findings..... | 25 |
| Schedule of Prior Audit Findings | 27 |

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INDEPENDENT AUDITOR'S REPORT

July 24, 2020

Village of Gettysburg
Darke County
PO Box 399
Gettysburg, Ohio 45771

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, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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, 2019 and 2018, and the respective 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, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020, 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 & 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, 2019**

| | General | Special Revenue | Capital Projects | Totals (Memorandum Only) |
|---|------------------|--------------------|---------------------|--------------------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$ 14,317 | \$ 38,900 | \$ - | \$ 53,217 |
| Municipal Income Tax | 85,655 | - | - | 85,655 |
| Intergovernmental | 46,626 | 29,115 | - | 75,741 |
| Charges for Services | 2,883 | - | - | 2,883 |
| Fines, Licenses and Permits | 4,000 | - | - | 4,000 |
| Earnings on Investments | 1,103 | - | - | 1,103 |
| Miscellaneous | 3,286 | 9,251 | 4,856 | 17,393 |
| <i>Total Cash Receipts</i> | <u>157,870</u> | <u>77,266</u> | <u>4,856</u> | <u>239,992</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | - | 45,427 | - | 45,427 |
| Leisure Time Activities | 4,344 | 11,770 | 1,486 | 17,600 |
| Transportation | 7,248 | 5,306 | - | 12,554 |
| General Government | 122,631 | 897 | 321 | 123,849 |
| Capital Outlay | - | 4,181 | - | 4,181 |
| Debt Service: | | | | |
| Principal Retirement | 4,331 | 5,563 | 3,293 | 13,187 |
| Interest and Fiscal Charges | 571 | - | 654 | 1,225 |
| <i>Total Cash Disbursements</i> | <u>139,125</u> | <u>73,144</u> | <u>5,754</u> | <u>218,023</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>18,745</u> | <u>4,122</u> | <u>(898)</u> | <u>21,969</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Transfers In | - | - | 11,300 | 11,300 |
| Transfers Out | (37,300) | - | - | (37,300) |
| Advances In | 11,300 | - | - | 11,300 |
| Advances Out | - | - | (11,300) | (11,300) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(26,000)</u> | <u>-</u> | <u>-</u> | <u>(26,000)</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>(7,255)</u> | <u>4,122</u> | <u>(898)</u> | <u>(4,031)</u> |
| <i>Fund Cash Balances, January 1</i> | <u>63,304</u> | <u>50,030</u> | <u>898</u> | <u>114,232</u> |
| Fund Cash Balances, December 31 | | | | |
| Restricted | - | 54,152 | - | 54,152 |
| Assigned | 51,274 | - | - | 51,274 |
| Unassigned | 4,775 | - | - | 4,775 |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 56,049</u> | <u>\$ 54,152</u> | <u>\$ -</u> | <u>\$ 110,201</u> |

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

| | Proprietary Fund Type |
|---|-----------------------|
| | Enterprise |
| Operating Cash Receipts | |
| Charges for Services | \$ 298,882 |
| <i>Total Operating Cash Receipts</i> | 298,882 |
| Operating Cash Disbursements | |
| Personal Services | 23,506 |
| Employee Fringe Benefits | 3,314 |
| Contractual Services | 154,745 |
| Supplies and Materials | 33,925 |
| <i>Total Operating Cash Disbursements</i> | 215,490 |
| <i>Operating Income (Loss)</i> | 83,392 |
| Non-Operating Receipts (Disbursements) | |
| Other Debt Proceeds | 44,225 |
| Miscellaneous Receipts | 5,366 |
| Capital Outlay | (47,251) |
| Principal Retirement | (85,175) |
| Interest and Other Fiscal Charges | (1,565) |
| <i>Total Non-Operating Receipts (Disbursements)</i> | (84,400) |
| <i>Income (Loss) before Transfers</i> | (1,008) |
| Transfers In | 26,000 |
| <i>Net Change in Fund Cash Balances</i> | 24,992 |
| <i>Fund Cash Balances, January 1</i> | 122,963 |
| <i>Fund Cash Balances, December 31</i> | \$ 147,955 |

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, 2019**

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.

Fire Levy Fund This fund receives money from a Fire operating levy to fund emergency services.

Ambulance/EMS Fund This fund receives money from an EMS operating levy to fund emergency services.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 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, 2019
(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 2019 budgetary activity appears in Note 4.

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 a 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, 2019
(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 – Compliance

Contrary to Ohio law, actual receipts in the General Fund fell below budgeted receipts which caused a reduction in the resources available for appropriations below the allowable amount for the year ended December 31, 2019.

Note 4 – Budgetary Activity

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

| 2019 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 165,837 | \$ 157,870 | \$ (7,967) |
| Special Revenue | 75,490 | 77,266 | 1,776 |
| Capital Projects | 14,300 | 16,156 | 1,856 |
| Enterprise | 345,435 | 374,473 | 29,038 |
| Total | \$ 601,062 | \$ 625,765 | \$ 24,703 |

| 2019 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 240,462 | \$ 176,425 | \$ 64,037 |
| Special Revenue | 125,041 | 73,144 | 51,897 |
| Capital Projects | 8,698 | 5,754 | 2,944 |
| Enterprise | 468,397 | 349,481 | 118,916 |
| Total | \$ 842,598 | \$ 604,804 | \$ 237,794 |

VILLAGE OF GETTYSBURG
DARKE COUNTY

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

Note 5 – 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, 2019 was as follows:

| | |
|--------------------------------|-------------------|
| Demand deposits | \$ 178,806 |
| Certificates of Deposit | 45,122 |
| Total deposits | <u>223,928</u> |
| Star Ohio | 34,228 |
| Total investments | <u>34,228</u> |
| Total deposits and investments | <u>\$ 258,156</u> |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 6 – Taxes

Property Taxes

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 7 – 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 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time and part-time 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, 2019.

Social Security

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

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

Note 9 - Postemployment Benefits

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 10 - Debt

Debt outstanding at December 31, 2019 was as follows:

| | Principal | Interest Rate |
|---|------------|---------------|
| VCIF/OWDA - Water Treatment #3675 | \$ 41,281 | 2.00% |
| OPWC Loan - Water Treatment - CT42F | 41,864 | 0.00% |
| OPWC Loan - Bridge St Phase I CT29G | 9,697 | 0.00% |
| OPWC Loan - Bridge St Phase II CT36H | 11,400 | 0.00% |
| OPWC Loan - Bridge St Phase III CK05J | 16,150 | 0.00% |
| WPCLF Surplus Fund OWDA #4808 | 613,734 | 0.00% |
| OPWC Loan - Central Wastewater Collection CT21K | 53,333 | 0.00% |
| Greenville National Bank - Cardinal Center | 32,463 | 3.38% |
| Greenville National Bank - Water Tower | 42,092 | 4.75% |
| Total | \$ 862,014 | |

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 a final payment due on 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. The prior audit balance was incorrectly stated as \$47,996. The correct balance outstanding at December 31, 2017 was \$47,465.

The Greenville National Bank – Water Tower loan of \$44,250 was used for leak, repair and maintenance of the water tower. It is a six year note with a monthly payment of \$707.24 to be completed in August of 2025.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 10 – Debt (Continued)

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

| Year ending December 31: | OPWC Loans | OWDA Loans | Greenville National Bank Loans |
|-------------------------------------|-------------------|-------------------|---|
| 2020 | \$ 17,533 | \$ 71,942 | \$ 17,335 |
| 2021 | 17,533 | 71,942 | 17,335 |
| 2022 | 17,533 | 71,942 | 17,335 |
| 2023 | 17,533 | 71,942 | 17,335 |
| 2024 | 12,881 | 71,942 | 8,487 |
| 2025-2029 | 22,765 | 325,611 | 8,487 |
| 2030-2034 | 13,333 | 11,245 | - |
| 2035-2039 | 13,333 | - | - |
| Total | <u>\$ 132,444</u> | <u>\$ 696,566</u> | <u>\$ 86,314</u> |

Note 11 – 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.

Note 12 – Subsequent Events

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

**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, 2018**

| | General | Special Revenue | Capital Projects | Totals (Memorandum Only) |
|---|------------------|--------------------|---------------------|--------------------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$ 15,661 | \$ 35,701 | \$ - | \$ 51,362 |
| Municipal Income Tax | 104,525 | - | - | 104,525 |
| Intergovernmental | 44,074 | 28,596 | - | 72,670 |
| Charges for Services | 1,879 | - | - | 1,879 |
| Fines, Licenses and Permits | 4,037 | - | - | 4,037 |
| Earnings on Investments | 610 | - | - | 610 |
| Miscellaneous | 132 | 14,792 | 8,462 | 23,386 |
| <i>Total Cash Receipts</i> | <u>170,918</u> | <u>79,089</u> | <u>8,462</u> | <u>258,469</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | 18,336 | 32,825 | - | 51,161 |
| Public Health Services | 867 | - | - | 867 |
| Leisure Time Activities | 6,022 | 13,719 | 5,643 | 25,384 |
| Transportation | 5,595 | 21,074 | - | 26,669 |
| General Government | 89,794 | 723 | 2,406 | 92,923 |
| Capital Outlay | - | 2,727 | - | 2,727 |
| Debt Service: | | | | |
| Principal Retirement | 2,476 | 5,563 | 4,902 | 12,941 |
| Interest and Fiscal Charges | 473 | - | 997 | 1,470 |
| <i>Total Cash Disbursements</i> | <u>123,563</u> | <u>76,631</u> | <u>13,948</u> | <u>214,142</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>47,355</u> | <u>2,458</u> | <u>(5,486)</u> | <u>44,327</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Transfers Out | (53,000) | - | - | (53,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(53,000)</u> | <u>-</u> | <u>-</u> | <u>(53,000)</u> |
| <i>Net Change in Fund Cash Balances</i> | (5,645) | 2,458 | (5,486) | (8,673) |
| <i>Fund Cash Balances, January 1</i> | <u>68,949</u> | <u>47,572</u> | <u>6,384</u> | <u>122,905</u> |
| Fund Cash Balances, December 31 | | | | |
| Restricted | - | 50,030 | 898 | 50,928 |
| Assigned | 63,304 | - | - | 63,304 |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 63,304</u> | <u>\$ 50,030</u> | <u>\$ 898</u> | <u>\$ 114,232</u> |

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

| | <u>Proprietary Fund Type</u> |
|---|------------------------------|
| | <u>Enterprise</u> |
| Operating Cash Receipts | |
| Charges for Services | \$ 281,311 |
| <i>Total Operating Cash Receipts</i> | <u>281,311</u> |
| Operating Cash Disbursements | |
| Personal Services | 34,738 |
| Employee Fringe Benefits | 3,910 |
| Contractual Services | 114,647 |
| Supplies and Materials | <u>58,485</u> |
| <i>Total Operating Cash Disbursements</i> | <u>211,780</u> |
| <i>Operating Income (Loss)</i> | <u>69,531</u> |
| Non-Operating Receipts (Disbursements) | |
| Miscellaneous Receipts | 6,194 |
| Capital Outlay | (350) |
| Principal Retirement | (92,987) |
| Interest and Other Fiscal Charges | <u>(925)</u> |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(88,068)</u> |
| <i>Income (Loss) before Transfers</i> | (18,537) |
| Transfers In | <u>53,000</u> |
| <i>Net Change in Fund Cash Balances</i> | 34,463 |
| <i>Fund Cash Balances, January 1</i> | <u>88,500</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$ 122,963</u></u> |

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, 2018**

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.

Fire Levy Fund This fund receives money from a Fire operating levy to fund emergency services.

Ambulance/EMS Fund This fund receives money from an EMS operating levy to fund emergency services.

VILLAGE OF GETTYSBURG
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(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 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, 2018
(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 2018 budgetary activity appears in Note 4.

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 a 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, 2018
(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 – Compliance

Contrary to Ohio law, actual receipts in the Gettysburg School Fund fell below budgeted receipts which caused a reduction in the resources available for appropriations below the allowable amount for the year ended December 31, 2018.

Contrary to Ohio law, the amount of resources available for appropriations fell below the allowable in the Sewer Fund for the year ended December 31, 2018.

Note 4 – Budgetary Activity

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

| 2018 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 170,125 | \$ 170,918 | \$ 793 |
| Special Revenue | 73,050 | 79,089 | 6,039 |
| Capital Projects | 25,000 | 8,462 | (16,538) |
| Enterprise | 311,002 | 340,505 | 29,503 |
| Total | \$ 579,177 | \$ 598,974 | \$ 19,797 |

| 2018 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 187,948 | \$ 176,563 | \$ 11,385 |
| Special Revenue | 117,383 | 76,631 | 40,752 |
| Capital Projects | 16,898 | 13,948 | 2,950 |
| Enterprise | 381,943 | 306,042 | 75,901 |
| Total | \$ 704,172 | \$ 573,184 | \$ 130,988 |

VILLAGE OF GETTYSBURG
DARKE COUNTY

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

Note 5 – 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, 2018 was as follows:

| | |
|--------------------------------|-------------------|
| Demand deposits | \$ 158,846 |
| Certificates of Deposit | 44,905 |
| Total deposits | <u>203,751</u> |
| Star Ohio | 33,444 |
| Total investments | <u>33,444</u> |
| Total deposits and investments | <u>\$ 237,195</u> |

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 6 – Taxes

Property Taxes

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 7 – 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 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time and part-time employees 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, 2018.

Social Security

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

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

Note 9 - Postemployment Benefits

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

| | Principal | Interest Rate |
|---|------------|---------------|
| VCIF/OWDA - Water Treatment #3675 | \$ 44,161 | 2.00% |
| OPWC Loan - Water Treatment - CT42F | 51,168 | 0.00% |
| OPWC Loan - Bridge St Phase I CT29G | 11,460 | 0.00% |
| OPWC Loan - Bridge St Phase II CT36H | 13,300 | 0.00% |
| OPWC Loan - Bridge St Phase III CK05J | 18,050 | 0.00% |
| WPCLF Surplus Fund OWDA #4808 | 681,927 | 0.00% |
| OPWC Loan - Central Wastewater Collection CT21K | 56,000 | 0.00% |
| Greenville National Bank - Cardinal Center | 40,085 | 3.38% |
| Total | \$ 916,151 | |

The OPWC Loan – Wellsite & Wells CK720 was for the well field replacement project. Payments were due semiannual in the amount of \$10,000 with final payment January 1, 2018. This loan was paid off in 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 a final payment due on 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. The prior audit balance was incorrectly stated as \$47,996. The correct balance outstanding at December 31, 2017 was \$47,465.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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

Note 10 – Debt (Continued)

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

| <u>Year ending December 31:</u> | <u>OPWC Loans</u> | <u>OWDA Loans</u> | <u>Greenville National Bank Loans</u> |
|-------------------------------------|-------------------|-------------------|---|
| 2019 | \$ 17,533 | \$ 71,942 | \$ 8,848 |
| 2020 | 17,533 | 71,942 | 8,848 |
| 2021 | 17,533 | 71,942 | 8,848 |
| 2022 | 17,533 | 71,942 | 8,848 |
| 2023 | 17,533 | 71,942 | 8,848 |
| 2024-2028 | 32,979 | 359,708 | - |
| 2029-2033 | 13,333 | 49,089 | - |
| 2034-2038 | 13,333 | - | - |
| 2039-2043 | 2,668 | - | - |
| Total | <u>\$ 149,978</u> | <u>\$ 768,507</u> | <u>\$ 44,240</u> |

Note 11 – 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.

Note 12 – Subsequent Events

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

Note 13 – Interfund Balances

Outstanding advances at December 31, 2018, consisted of \$11,300 advanced to the Gettysburg School Fund to provide working capital for the renovation and maintenance of the Cardinal Center.



313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

July 24, 2020

Village of Gettysburg
Darke County
PO Box 399
Gettysburg, Ohio 45771

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Gettysburg**, Darke County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated July 24, 2020, 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 and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Internal Control Over Financial Reporting (Continued)

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 a 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. We consider finding 2019-001 described in the accompanying schedule of audit findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2019-002 described in the accompanying schedule of audit findings to be a significant deficiency.

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 item 2019-002.

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

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2019 and 2018, receipts, disbursements, and fund balances were not always posted or classified correctly. The following posting errors were noted:

- Debt payments were misclassified as General Government in the General Fund in 2019 and 2018;
- Permissive Tax receipts were posted to the General Fund instead of the Permissive Tax Fund in 2019 and 2018;
- A Property and Other Local Taxes receipt was misclassified as Intergovernmental in the General Fund in 2018;
- Municipal Income Tax receipts were recorded at net instead of gross in the General Fund in 2019 and 2018;
- Municipal Income Tax receipts were misclassified as Intergovernmental in the General Fund in 2019;
- Fund balances in the Parks and Recreation and Gettysburg Youth Funds were misclassified as Committed instead of Restricted in 2019 and 2018;
- Fund balance in the Gettysburg School Fund was misclassified as Committed instead of Restricted in 2018;
- Gasoline Tax and Auto License receipts were not properly allocated in the Street and State Highway Funds in 2019 and 2018;
- Rollback receipts were misclassified as Property and Other Local Taxes instead of Intergovernmental in the Fire Levy and Ambulance/EMS Funds in 2019;
- Breakdown of debt payments between Principal Retirement and Interest and Other Fiscal Charges was not correct in the Gettysburg School and Water Funds in 2019 and 2018; and
- Water Loan proceeds were misclassified as Miscellaneous instead of Other Debt Proceeds in 2019.

Not posting receipts, disbursements, and fund balances accurately resulted in the financial statements requiring several adjustments and reclassifications. The Village has made the adjustments to their accounting system. The financial statements reflect all adjustments and reclassifications.

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

We also recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
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FINDING NUMBER 2019-001 (Continued)

Financial Reporting (Continued)

The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Management's Response – Officials did not provide a response to this finding.

FINDING NUMBER 2019-002

Significant Deficiency/Noncompliance

Budgetary Controls

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Village making financial decisions based on incorrect or incomplete information. We noted the following:

- **Violations of 5705.39** indicating appropriations cannot exceed estimated resources; and
- **Violations of 5705.41(D)** relating to expenditures having prior certification of availability of funds.

Although Council approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure that budgetary forms are properly completed and submitted to the County Budget Commission timely.

Council should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Village is complying with applicable sections. If Council does not consider these necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Village Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

The Village did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Village Board and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in varying amounts posted to the accounting system and information available to the Village Officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Village implement procedures to ensure estimated receipts and appropriations are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Management's Response – Officials did not provide a response to this finding.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|--------------------------------------|---------------|------------------------------|
| 2017-001 | Financial Reporting | Not Corrected | Repeated as Finding 2019-001 |
| 2017-002 | Ohio Revised Code Section 5705.42 | Corrected | N/A |
| 2017-003 | Advances Not Temporary | Corrected | N/A |
| 2017-004 | Ohio Revised Code Section 5705.41(D) | Not Corrected | Repeated as Finding 2019-002 |

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GETTYSBURG

DARKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/13/2020

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

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