

VILLAGE OF GETTYSBURG
DARKE COUNTY
DAYTON REGION

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001



**Auditor of State
Betty Montgomery**

Village Council
Village of Gettysburg
P.O. Box 345
216 High Street
Gettysburg, OH 45328

We have reviewed the Independent Auditor's Report of the Village of Gettysburg, Darke County, prepared by Vanderhorst & Manning CPAs, LLC, for the audit period January 1, 2001 through December 31, 2002. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 23, 2003

This Page is Intentionally Left Blank.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants'	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2002	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – Proprietary Fund Type - For the Year Ended December 31, 2002	4
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2001	5
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – Proprietary Fund Type - For the Year Ended December 31, 2001	6
Notes to the Financial Statements	7 - 14
Report of Independent Accountants' on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15 - 16

This Page is Intentionally Left Blank.

**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

REPORT OF INDEPENDENT ACCOUNTANTS'

Village Council
Village of Gettysburg
Darke County
P. O. Box 345
216 High Street
Gettysburg, Ohio 45328

We have audited the accompanying financial statements of the Village of Gettysburg, Darke County, Ohio, (the Village), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Gettysburg, Darke County, Ohio as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management and Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

May 30, 2003

This page has been left blank intentionally

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 16,307	\$ 16,571	\$ 0	\$ 32,878
Intergovernmental Receipts	74,651	19,793	133,414	227,858
Charges for Services	22,374	0	0	22,374
Fines, Licenses and Permits	1,433	0	0	1,433
Earnings on Investments	3,185	29	0	3,214
Miscellaneous	100	0	0	100
	<u>118,050</u>	<u>36,393</u>	<u>133,414</u>	<u>287,857</u>
Total Cash Receipts				
	<u>118,050</u>	<u>36,393</u>	<u>133,414</u>	<u>287,857</u>
Cash Disbursements:				
Security of Persons and Property	12,175	17,699	0	29,874
Public Health	1,511	0	0	1,511
Leisure Time Activities	6,000	0	0	6,000
Community Environment	15,368	0	0	15,368
Basic Utility Services	22,530	0	0	22,530
Transportation	12,446	3,989	0	16,435
General Government	34,454	405	0	34,859
Capital Outlay	15,688	17,000	203,414	236,102
Debt Service:				
Principal Payments	7,731	0	0	7,731
Interest Payments	2,619	0	0	2,619
	<u>130,522</u>	<u>39,093</u>	<u>203,414</u>	<u>373,029</u>
Total Cash Disbursements				
	<u>130,522</u>	<u>39,093</u>	<u>203,414</u>	<u>373,029</u>
Total Receipts Over/(Under) Disbursements	(12,472)	(2,700)	(70,000)	(85,172)
Other Financing Receipts/(Disbursements):				
Sale of Notes	0	0	70,000	70,000
Transfers In	724	0	0	724
Transfers Out	(1,336)	0	0	(1,336)
Other Financing Uses	(200)	0	0	(200)
Total Other Financing Receipts/(Disbursements)	<u>(812)</u>	<u>0</u>	<u>70,000</u>	<u>69,188</u>
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	(13,284)	(2,700)	0	(15,984)
Fund Cash Balances, January 1, 2002	<u>75,472</u>	<u>19,870</u>	<u>0</u>	<u>95,342</u>
Fund Cash Balances, December 31, 2002	<u>\$ 62,188</u>	<u>\$ 17,170</u>	<u>\$ 0</u>	<u>\$ 79,358</u>
Reserve for Encumbrances, December 31, 2002	<u>11</u>	<u>0</u>	<u>0</u>	<u>11</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	PROPRIETARY FUND TYPE
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 95,471
Miscellaneous	10,362
Total Operating Revenues	105,833
Operating Cash Disbursements:	
Current:	
Personal Services	14,913
Travel Transportation	2,631
Contractual Services	17,480
Supplies and Materials	15,209
Miscellaneous	965
Capital Outlay	3,985
Total Operating Cash Disbursements	55,183
Operating Income	50,650
Non Operating Cash Disbursements:	
Debt Service:	
Principal Payments	21,224
Interest Payments	1,000
	22,224
Income Before Operating Transfers and Advances	28,426
Operating Transfers In	3,508
Operating Transfers Out	(2,897)
	61,037
Excess of Cash Receipts Over (Under) Cash Disbursements	29,037
Fund Cash Balances, January 1, 2002	111,176
Fund Cash Balances, December 31, 2002	\$ 140,213
Reserve for Encumbrances, December 31, 2002	\$ 34

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 17,620	\$ 18,145	\$ 0	\$ 35,765
Intergovernmental Receipts	97,589	19,432	3,986	121,007
Charges for Services	22,097	0	0	22,097
Fines, Licenses and Permits	1,568	0	0	1,568
Earnings on Investments	4,181	0	0	4,181
Miscellaneous	2,204	0	0	2,204
Total Cash Receipts	<u>145,259</u>	<u>37,577</u>	<u>3,986</u>	<u>186,822</u>
Cash Disbursements:				
Security of Persons and Property	21,239	19,243	0	40,482
Public Health	1,583	0	0	1,583
Leisure Time Activities	5,578	0	0	5,578
Community Environment	490	0	0	490
Basic Utility Services	21,879	0	0	21,879
Transportation	13,047	8,925	0	21,972
General Government	42,539	464	0	43,003
Capital Outlay	380	13,850	3,986	18,216
Debt Service:				
Principal Payments	7,164	0	0	7,164
Interest Payments	3,186	0	0	3,186
Total Cash Disbursements	<u>117,085</u>	<u>42,482</u>	<u>3,986</u>	<u>163,553</u>
Total Receipts Over/(Under) Disbursements	28,174	(4,905)	0	23,269
Other Financing Receipts/(Disbursements):				
Transfers In	724	0	0	724
Transfers Out	(1,432)	0	0	(1,432)
Total Other Financing Receipts/(Disbursements)	<u>(708)</u>	<u>0</u>	<u>0</u>	<u>(708)</u>
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	27,466	(4,905)	0	22,561
Fund Cash Balances, January 1, 2001	<u>48,006</u>	<u>24,775</u>	<u>0</u>	<u>72,781</u>
Fund Cash Balances, December 31, 2001	<u>\$ 75,472</u>	<u>\$ 19,870</u>	<u>0</u>	<u>\$ 95,342</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	PROPRIETARY FUND TYPE
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 95,575
Miscellaneous	3,862
	99,437
Total Operating Revenues	
Operating Cash Disbursements:	
Current:	
Personal Services	15,304
Travel Transportation	2,528
Contractual Services	30,386
Supplies and Materials	13,512
Capital Outlay	26,307
Miscellaneous	966
	89,003
Total Operating Cash Disbursements	
Operating Income	10,434
Non Operating Cash Disbursements:	
Debt Service: Principal	20,000
Income Before Operating Transfers and Advances	(9,566)
Operating Transfers In	3,605
Operating Transfers Out	(2,897)
Excess of Cash Receipts Over (Under) Cash Disbursements	(8,858)
Fund Cash Balances, January 1, 2001	120,034
Fund Cash Balances, December 31, 2001	\$ 111,176

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, 2002 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Gettysburg, Darke County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water, sewer, refuse service, and fire protection services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

The Village used fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund:

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting (Continued)

Special Revenue Funds:

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

State Highway Improvement Fund – this fund receives intergovernmental share revenue to maintain, repair and improve State Highway.

Permissive Tax Fund – This fund receives motor vehicle license tax money for construction, maintenance and repair of Village streets.

Fire District Fund – This fund receives the proceeds of a property tax levy for maintenance of the Village Fire Department.

Capital Projects Fund:

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

Grant Construction Fund – This fund receives grant and loan proceeds for the purpose of evaluating and construct a water treatment system.

Enterprise Funds:

These funds account for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods or services will be recovered through user charges. The Village had the following enterprise funds:

Water Revenue Fund – This fund receives cash receipts from water sales to Village residents. Water system operating cash disbursements are made from this fund.

Sewer Revenue Fund – This fund receives cash receipts from sewer operations within the Village. Sewer system operating cash disbursements are made from this fund.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments.

The carrying amount of cash and investments at December 31 was as follows:

	2002	2001
Demand deposits	\$101,286	\$191,749
Star Ohio	100,293	0
Certificate of Deposit	<u>17,992</u>	<u>14,769</u>
Total	<u>\$219,571</u>	<u>\$206,518</u>

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2002 and 2001 was as follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$121,216	\$118,774	\$ (2,442)
Special Revenue Funds	36,744	36,393	(351)
Capital Projects	203,414	203,414	0
Enterprise Funds	<u>100,462</u>	<u>109,341</u>	<u>8,879</u>
Total	<u>\$461,836</u>	<u>\$467,922</u>	<u>\$ 6,086</u>

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,702	\$132,069	\$ 64,633
Special Revenue Funds	56,836	39,093	17,743
Capital Projects	203,414	203,414	0
Enterprise Funds	<u>211,639</u>	<u>80,304</u>	<u>131,335</u>
Total	<u>\$668,591</u>	<u>\$454,880</u>	<u>\$213,711</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$146,851	\$145,983	\$ (868)
Special Revenue Funds	40,115	37,577	(2,538)
Capital Projects	3,986	3,986	0
Enterprise Funds	<u>101,462</u>	<u>103,042</u>	<u>1,580</u>
Total	<u>\$292,414</u>	<u>\$290,588</u>	<u>\$ (1,826)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$185,366	\$118,517	\$ 66,849
Special Revenue Funds	64,040	42,482	21,558
Capital Projects	3,986	3,986	0
Enterprise Funds	<u>221,496</u>	<u>111,900</u>	<u>109,596</u>
Total	<u>\$474,888</u>	<u>\$276,885</u>	<u>\$198,003</u>

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$300,000	0.0%
Ohio Water Development Authority	98,775	2.0%
Greenville National Bank	<u>31,618</u>	7.0%
	<u>\$430,393</u>	

The Ohio Public Works Commission loan was for the well field replacement project. Property and receipts of the Village has been pledged to repay the debt.

The OWDA loan is for the study and construction of a water treatment plant for the Village. In 2000, \$30,000 was drawn for the study. The remaining \$70,000 was received in 2002. The loan will be repaid in semi annual installments of \$2,224 including interest over 30 years. The loan is to be repaid from the Villages water revenues.

The Greenville National Bank loan was for the purchase of a dump truck.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

5. DEBT (Continued)

Amortization of the above debt is scheduled as follows:

Year Ending December 31,	OPWC Loan	OWDA Loan	Greenville National Bank
2003	\$ 20,000	\$ 4,448	\$10,350
2004	20,000	4,448	10,350
2005	20,000	4,448	10,350
2006	20,000	4,448	5,146
2007	20,000	4,448	0
Thereafter	<u>200,000</u>	<u>109,002</u>	<u>0</u>
	<u>\$300,000</u>	<u>\$131,242</u>	<u>\$36,196</u>

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. In 2001 the Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- i. Comprehensive property and general liability
- ii. Vehicles
- iii. Errors and omissions

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001

8. CONTINGENT LIABILITIES

The Village is not a defendant in any lawsuits that counsel believes will materially adversely affect the Village's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

9. SUBSEQUENT EVENTS

No events have occurred subsequent to the financial statements which would have a material impact.

**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

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

Village Council
Village of Gettysburg
Darke County
P. O. Box 345
216 High Street
Gettysburg, Ohio 45328

We have audited the financial statements of the Village of Gettysburg, Darke County (the Village), as of and for the year ended December 31, 2002 and 2001, and have issued our report thereon dated May 30, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated May 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course

Village Council
Village of Gettysburg
Darke County
Report of Independent Auditors on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated May 30, 2003.

This report is intended for the information and use of the audit committee, management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

May 30, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JULY 3, 2003**