

VILLAGE OF GETTYSBURG
DARKE COUNTY
DAYTON REGION

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004



**Auditor of State
Betty Montgomery**

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

We have reviewed the *Report of Independent Accountants'* of the Village of Gettysburg, Darke County, prepared by Manning & Associates, CPAs, LLC for the audit period January 1, 2004 through December 31, 2005. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants'* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants'* also includes an opinion on the financial statements using the regulatory format the AOS permits.

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

August 9, 2006

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**VILLAGE OF GETTYSBURG
DARKE COUNTY**

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MANNING & ASSOCIATES 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, 2005 and 2004. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 for our opinion.

As described more fully in Note 1, the Village has prepared financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its large (i.e. major) funds separately for 2005 and 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statement. Since the Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005 and 2004 or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Gettysburg, Darke County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2005 and 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30 2006, on our consideration of the Village's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Manning & Associates CPAs, LLC
Dayton, Ohio

April 30, 2006

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**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, 2005

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 16,549	\$ 16,217	\$ 0	\$ 32,766
Intergovernmental Receipts	74,920	26,475	206,403	307,798
Charges for Services	25,619	0	0	25,619
Fines, Licenses and Permits	1,531	0	0	1,531
Earnings on Investments	2,672	315	0	2,987
Miscellaneous	2,502	8,083	0	10,585
	<u>123,793</u>	<u>51,090</u>	<u>206,403</u>	<u>381,286</u>
Total Cash Receipts				
	123,793	51,090	206,403	381,286
Cash Disbursements:				
Security of Persons and Property	23,336	17,442	0	40,778
Public Health	1,957	0	0	1,957
Leisure Time Activities	4,400	490	0	4,890
Community Environment	9,688	0	0	9,688
Basic Utility Services	26,094	0	0	26,094
Transportation	18,680	6,689	0	25,369
General Government	33,706	1,052	0	34,758
Capital Outlay	9,707	12,152	272,081	293,940
Debt Service:				
Principal Payments	4,684	7,532	30,498	42,714
Interest Payments	1,143	356	0	1,499
	<u>133,395</u>	<u>45,713</u>	<u>302,579</u>	<u>481,687</u>
Total Cash Disbursements				
	133,395	45,713	302,579	481,687
Total Receipts Over/(Under) Disbursements	(9,602)	5,377	(96,176)	(100,401)
Other Financing Receipts/(Disbursements):				
Sale of Notes	0	0	93,676	93,676
Transfers In	724	130	0	854
Transfers Out	(2,109)	0	0	(2,109)
Total Other Financing Receipts/(Disbursements)	<u>(1,385)</u>	<u>130</u>	<u>93,676</u>	<u>92,421</u>
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	(10,987)	5,507	(2,500)	(7,980)
Fund Cash Balances, January 1, 2005	<u>13,166</u>	<u>17,346</u>	<u>2,500</u>	<u>33,012</u>
Fund Cash Balances, December 31, 2005	<u>\$ 2,179</u>	<u>\$ 22,853</u>	<u>\$ 0</u>	<u>\$ 25,032</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, 2005

	PROPRIETARY FUND TYPE
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 96,425
Miscellaneous	0
Total Operating Revenues	96,425
Operating Cash Disbursements:	
Current:	
Personal Services	17,879
Travel Transportation	3,180
Contractual Services	23,666
Supplies and Materials	14,291
Miscellaneous	965
Capital Outlay	22,610
Total Operating Cash Disbursements	82,591
Operating Income	13,834
Non Operating Cash Disbursements:	
Miscellaneous Receipts	3,862
Debt Service:	
Principal Payments	(31,483)
Interest Payments	(1,569)
	(3,190)
Income Before Operating Transfers and Advances	(29,190)
Operating Transfers In	4,152
Operating Transfers Out	(2,897)
	(14,101)
Excess of Cash Receipts Over (Under) Cash Disbursements	(14,101)
Fund Cash Balances, January 1, 2005	159,212
Fund Cash Balances, December 31, 2005	\$ 145,111

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, 2004

	GOVERNMENTAL FUND TYPES			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property Tax and Other Local Taxes	\$ 17,564	\$ 17,506	\$ 0	\$ 35,070
Intergovernmental Receipts	73,831	24,205	295,429	393,465
Charges for Services	24,099	0	2,500	26,599
Fines, Licenses and Permits	1,355	0	0	1,355
Earnings on Investments	1,904	0	0	1,904
Miscellaneous	410	0	0	410
Total Cash Receipts	<u>119,163</u>	<u>41,711</u>	<u>297,929</u>	<u>458,803</u>
Cash Disbursements:				
Security of Persons and Property	18,593	18,443	0	37,036
Public Health	1,892	0	0	1,892
Leisure Time Activities	13,590	0	0	13,590
Community Environment	17,026	0	0	17,026
Basic Utility Services	24,659	0	0	24,659
Transportation	18,158	8,646	0	26,804
General Government	38,708	601	0	39,309
Capital Outlay	12,990	18,445	332,281	363,716
Debt Service:				
Principal Payments	108,851	0	0	108,851
Interest Payments	2,764	0	0	2,764
Total Cash Disbursements	<u>257,231</u>	<u>46,135</u>	<u>332,281</u>	<u>635,647</u>
Total Receipts Over/(Under) Disbursements	(138,068)	(4,424)	(34,352)	(176,844)
Other Financing Receipts/(Disbursements):				
Sale of Notes	100,000	0	35,085	135,085
Transfers In	6,303	0	0	6,303
Transfers Out	(953)	0	0	(953)
Total Other Financing Receipts/(Disbursements)	<u>105,350</u>	<u>0</u>	<u>35,085</u>	<u>140,435</u>
Excess of Cash Receipts and Other Financing Receipts over/(under) Cash Disbursements and Other Financing Disbursements	(32,718)	(4,424)	733	(36,409)
Fund Cash Balances, January 1, 2004	<u>45,884</u>	<u>21,770</u>	<u>1,767</u>	<u>69,421</u>
Fund Cash Balances, December 31, 2004	<u>\$ 13,166</u>	<u>\$ 17,346</u>	<u>2,500</u>	<u>\$ 33,012</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, 2004

	PROPRIETARY FUND TYPE
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 100,393
Miscellaneous	0
	100,393
Total Operating Revenues	100,393
Operating Cash Disbursements:	
Current:	
Personal Services	17,433
Travel Transportation	3,116
Contractual Services	23,243
Supplies and Materials	23,822
Other	967
Capital Outlay	0
	68,581
Total Operating Cash Disbursements	68,581
Operating Income	31,812
Non Operating Cash Disbursements:	
Miscellaneous Receipts	3,862
Redemption of Principal	(30,390)
Interest and Other Fiscal Charges	(1,612)
	(28,140)
Income Before Operating Transfers and Advances	(28,140)
Operating Transfers In	3,125
Operating Transfers Out	(8,475)
	(1,678)
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,678)
Fund Cash Balances, January 1, 2004	160,889
Fund Cash Balances, December 31, 2004	\$ 159,211

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, 2005 AND 2004

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, 2005 AND 2004

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, 2005 AND 2004

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 2005 and 2004 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, 2005 AND 2004

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:

	2005	2004
Demand deposits	\$ 87,261	\$102,467
Star Ohio	61,037	67,449
Certificate of Deposit	<u>21,845</u>	<u>22,307</u>
Total	<u>\$170,143</u>	<u>\$192,223</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, 2005 and 2004 was as follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$134,055	\$124,517	\$ (9,538)
Special Revenue Funds	46,290	51,220	4,930
Capital Projects	270,030	300,079	30,049
Enterprise Funds	<u>100,260</u>	<u>104,439</u>	<u>4,179</u>
Total	<u>\$550,635</u>	<u>\$580,255</u>	<u>\$ 29,620</u>

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

3. BUDGETARY ACTIVITY (Continued)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$148,046	\$135,504	\$ 12,542
Special Revenue Funds	60,833	45,713	15,120
Capital Projects	302,579	302,579	0
Enterprise Funds	<u>196,844</u>	<u>118,540</u>	<u>78,304</u>
Total	<u>\$708,302</u>	<u>\$602,336</u>	<u>\$105,966</u>

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$229,420	\$225,466	\$ (3,954)
Special Revenue Funds	38,025	41,711	3,686
Capital Projects	333,014	333,014	0
Enterprise Funds	<u>97,881</u>	<u>107,380</u>	<u>9,499</u>
Total	<u>\$698,340</u>	<u>\$707,571</u>	<u>\$ 9,231</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$275,304	\$258,184	\$ 17,120
Special Revenue Funds	60,338	46,135	14,203
Capital Projects	334,781	332,281	2,500
Enterprise Funds	<u>258,551</u>	<u>109,058</u>	<u>149,493</u>
Total	<u>\$928,974</u>	<u>\$745,658</u>	<u>\$183,316</u>

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

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, 2005 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #1	\$240,000	0.0%
Ohio Water Development Authority	76,822	2.0%
Greenville National Bank	4,962	7.0%
VCIF Loan	25,000	2.2%
Ohio Public Works Commission Loan #2	167,459	0.0%
Ohio Public Works Commission Loan #3	<u>70,550</u>	0.0%
	<u>\$584,793</u>	

The Ohio Public Works Commission loans:

Property and receipts of the Village has been pledged to repay the debts.

Loan #1 was for the well field replacement project. Payments are due semiannual in the amount of \$10,000 with final payment January 1, 2018

Loan #2 –Water Treatment Plant replacement loan was for the construction of a new water treatment plant for the Village. Semiannual payments are due in the amount of \$4652, with final payment January 1, 2024.

Loan #3 – Consists of two loans for the phase II bridge street project. Payments are due semiannual in the amount of \$950 and \$882 with final payments due January and July 2025.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

5. DEBT (Continued)

The OWDA 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 semi annual installments of \$1,874 including interest over 30 years, with final payment July 1, 2032. The loan is to be repaid from the Villages water revenues.

The Greenville National Bank loan was for the purchase of a dump truck. Final payment due in 2006.

VCIF Loan – Loan for the engineering services on the waste water treatment plant. Payments will be made in 10 annual installments commencing approximately two years following the loan award.

Amortization of the above debt is scheduled as follows:

Year Ending December 31,	OPWC <u>Loans</u>	OWDA <u>Loan</u>	Greenville <u>National Bank</u>
2006	\$ 16,484	\$ 1,874	\$ 5,146
2007	32,968	3,748	0
2008	32,968	3,748	0
2009	32,968	3,748	0
2010	32,968	3,748	0
Thereafter	<u>329,653</u>	<u>82,475</u>	<u>0</u>
	<u>\$478,009</u>	<u>\$ 99,341</u>	<u>\$ 5,146</u>

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS 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 2005 and 2004, OPERS members contributed 8.5% of their gross salaries. In 2005 and 2004 the Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**VILLAGE OF GETTYSBURG
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

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

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.

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

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated April 30, 2006, wherein we noted Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider material weaknesses. In a separate letter to the Village's management dated April 30, 2006, we reported other matters involving internal control over financial reporting we did not deem a reportable condition.

Compliance

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 grants agreements, noncompliance with which could directly and materially affect 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 or other matters we must report under *Government Auditing Standards*. In a separate letter to the Village's management dated April 30, 2006, we reported other matters related to noncompliance we deemed immaterial.

Village Council
Village of Gettysburg
Independent Accountants Report on Internal
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We intend this report solely for the information and use of the management and the Village Council. It is not intended for anyone other than these specified parties.

Manning & Associates CPAs, LLC
Dayton, Ohio

April 30, 2006



**Auditor of State
Betty Montgomery**

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VILLAGE OF GETTYSBURG

DARKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 22, 2006**