



Mary Taylor, CPA  
Auditor of State



VILLAGE OF GEORGETOWN  
BROWN COUNTY

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Mary Taylor, CPA  
Auditor of State

Village of Georgetown  
Brown County  
301 South Main Street  
Georgetown, Ohio 45121

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

December 6, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Georgetown  
Brown County  
301 South Main Street  
Georgetown, Ohio 45121

To the Village Council:

We have audited the accompanying financial statements of Village of Georgetown, Brown County, Ohio (the Village), as of and for the years ended December 31, 2009 and 2008. 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 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these 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 GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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, 2009 and 2008 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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 Georgetown, Brown County, Ohio as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 our report dated December 6, 2010, 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. 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 6, 2010



**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$265,277	\$111,879	\$0	\$0	\$377,156
Municipal Income Tax	244,493	202,039	0	0	446,532
Intergovernmental	78,849	196,551	0	0	275,400
Charges for Services	11,826	93,145	7,515	0	112,486
Fines, Licenses and Permits	101,804	14,112	0	0	115,916
Earnings on Investments	51,576	7,430	0	3,455	62,461
Miscellaneous	12,948	8,679	0	0	21,627
<b>Total Cash Receipts</b>	<u>766,773</u>	<u>633,835</u>	<u>7,515</u>	<u>3,455</u>	<u>1,411,578</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	603,249	120,111	0	0	723,360
Public Health Services	0	33,620	0	0	33,620
Leisure Time Activities	0	14,013	0	0	14,013
Community Environment	11,936	7,531	0	0	19,467
Transportation	0	181,160	0	0	181,160
General Government	266,019	27,391	0	0	293,410
Debt Service:					
Redemption of Principal	6,997	41,440	6,259	0	54,696
Interest and Fiscal Charges	475	5,694	1,256	0	7,425
Capital Outlay	131,547	170,567	0	0	302,114
<b>Total Cash Disbursements</b>	<u>1,020,223</u>	<u>601,527</u>	<u>7,515</u>	<u>0</u>	<u>1,629,265</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(253,450)</u>	<u>32,308</u>	<u>0</u>	<u>3,455</u>	<u>(217,687)</u>
<b>Other Financing Receipts / (Disbursements):</b>					
Sale of Fixed Assets	300	0	0	0	300
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(253,150)</u>	<u>32,308</u>	<u>0</u>	<u>3,455</u>	<u>(217,387)</u>
<b>Fund Cash Balances, January 1</b>	<u>1,747,097</u>	<u>1,459,784</u>	<u>26,722</u>	<u>246,585</u>	<u>3,480,188</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,493,947</b></u>	<u><b>\$1,492,092</b></u>	<u><b>\$26,722</b></u>	<u><b>\$250,040</b></u>	<u><b>\$3,262,801</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$17,993</b></u>	<u><b>\$11,954</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$29,947</b></u>

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

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$4,954,578	\$0	\$0	\$4,954,578
Total Operating Cash Receipts	<u>4,954,578</u>	<u>0</u>	<u>0</u>	<u>4,954,578</u>
<b>Operating Cash Disbursements:</b>				
Personal Services	631,331	0	0	631,331
Employee Fringe Benefits	275,986	0	0	275,986
Contractual Services	3,036,837	0	0	3,036,837
Supplies and Materials	296,398	0	0	296,398
Other	169,725	135	0	169,860
Total Operating Cash Disbursements	<u>4,410,277</u>	<u>135</u>	<u>0</u>	<u>4,410,412</u>
Operating Income/(Loss)	<u>544,301</u>	<u>(135)</u>	<u>0</u>	<u>544,166</u>
<b>Non-Operating Cash Receipts:</b>				
Miscellaneous Receipts	558	0	23	581
Other Non-Operating Cash Receipts	0	0	131,486	131,486
Total Non-Operating Cash Receipts	<u>558</u>	<u>0</u>	<u>131,509</u>	<u>132,067</u>
<b>Non-Operating Cash Disbursements:</b>				
Capital Outlay	96,695	0	0	96,695
Redemption of Principal	163,164	0	0	163,164
Interest and Other Fiscal Charges	42,481	0	0	42,481
Other Non-Operating Cash Disbursements	0	0	129,911	129,911
Total Non-Operating Cash Disbursements	<u>302,340</u>	<u>0</u>	<u>129,911</u>	<u>432,251</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	242,519	(135)	1,598	243,982
Transfers-In	86,000	0	0	86,000
Transfers-Out	(86,000)	0	0	(86,000)
Advances-Out	(7,515)	0	0	(7,515)
Net Receipts Over/(Under) Disbursements	235,004	(135)	1,598	236,467
Fund Cash Balances, January 1	<u>4,609,164</u>	<u>8,344</u>	<u>2,236</u>	<u>4,619,744</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$4,844,168</u></b>	<b><u>\$8,209</u></b>	<b><u>\$3,834</u></b>	<b><u>\$4,856,211</u></b>
Reserve for Encumbrances, December 31	<u>\$35,584</u>	<u>\$0</u>	<u>\$0</u>	<u>\$35,584</u>

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

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$262,014	\$113,059	\$0	\$0	\$375,073
Municipal Income Tax	240,456	196,737	0	0	437,193
Intergovernmental	151,126	240,303	0	0	391,429
Charges for Services	11,400	108,192	7,515	0	127,107
Fines, Licenses and Permits	107,718	5,019	0	0	112,737
Earnings on Investments	199,008	30,993	0	1,739	231,740
Miscellaneous	18,224	15,104	0	0	33,328
<b>Total Cash Receipts</b>	<u>989,946</u>	<u>709,407</u>	<u>7,515</u>	<u>1,739</u>	<u>1,708,607</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	580,986	106,809	0	0	687,795
Public Health Services	0	39,987	0	0	39,987
Leisure Time Activities	0	15,862	0	0	15,862
Community Environment	11,451	1,605	0	0	13,056
Transportation	0	189,575	0	0	189,575
General Government	234,888	26,078	0	0	260,966
Debt Service:					
Redemption of Principal	13,653	72,199	5,891	0	91,743
Interest and Fiscal Charges	1,390	9,020	1,624	0	12,034
Capital Outlay	58,954	183,060	0	0	242,014
<b>Total Cash Disbursements</b>	<u>901,322</u>	<u>644,195</u>	<u>7,515</u>	<u>0</u>	<u>1,553,032</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>88,624</u>	<u>65,212</u>	<u>0</u>	<u>1,739</u>	<u>155,575</u>
<b>Other Financing Receipts / (Disbursements):</b>					
Sale of Fixed Assets	2,960	0	0	0	2,960
Advances-Out	0	(45,992)	0	0	(45,992)
Other Financing Sources	0	6,561	0	7,200	13,761
Other Financing Uses	(2,405)	0	0	0	(2,405)
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>555</u>	<u>(39,431)</u>	<u>0</u>	<u>7,200</u>	<u>(31,676)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>89,179</u>	<u>25,781</u>	<u>0</u>	<u>8,939</u>	<u>123,899</u>
<b>Fund Cash Balances, January 1</b>	<u>1,657,918</u>	<u>1,434,003</u>	<u>26,722</u>	<u>237,646</u>	<u>3,356,289</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,747,097</b></u>	<u><b>\$1,459,784</b></u>	<u><b>\$26,722</b></u>	<u><b>\$246,585</b></u>	<u><b>\$3,480,188</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$58,236</b></u>	<u><b>\$150,831</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$209,067</b></u>

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

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Proprietary Fund Types	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Private Purpose Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$5,009,020	\$4,156	\$0	\$5,013,176
Total Operating Cash Receipts	<u>5,009,020</u>	<u>4,156</u>	<u>0</u>	<u>5,013,176</u>
<b>Operating Cash Disbursements:</b>				
Personal Services	662,754	0	0	662,754
Employee Fringe Benefits	262,017	0	0	262,017
Contractual Services	3,062,460	0	0	3,062,460
Supplies and Materials	306,348	0	0	306,348
Other	216,433	0	0	216,433
Total Operating Cash Disbursements	<u>4,510,012</u>	<u>0</u>	<u>0</u>	<u>4,510,012</u>
Operating Income/(Loss)	<u>499,008</u>	<u>4,156</u>	<u>0</u>	<u>503,164</u>
<b>Non-Operating Cash Receipts:</b>				
Earnings on Investments	0	7,500	0	7,500
Miscellaneous Receipts	1,071	0	0	1,071
Other Non-Operating Cash Receipts	182	0	128,590	128,772
Total Non-Operating Cash Receipts	<u>1,253</u>	<u>7,500</u>	<u>128,590</u>	<u>137,343</u>
<b>Non-Operating Cash Disbursements:</b>				
Capital Outlay	61,326	0	0	61,326
Redemption of Principal	159,414	0	0	159,414
Interest and Other Fiscal Charges	46,172	0	0	46,172
Other Non-Operating Cash Disbursements	0	11,356	128,675	140,031
Total Non-Operating Cash Disbursements	<u>266,912</u>	<u>11,356</u>	<u>128,675</u>	<u>406,943</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	233,349	300	(85)	233,564
Transfers-In	86,000	0	0	86,000
Transfers-Out	(86,000)	0	0	(86,000)
Advances-Out	(7,515)	0	0	(7,515)
Net Receipts Over/(Under) Disbursements	225,834	300	(85)	226,049
Fund Cash Balances, January 1	<u>4,383,330</u>	<u>8,044</u>	<u>2,321</u>	<u>4,393,695</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$4,609,164</u></b>	<b><u>\$8,344</u></b>	<b><u>\$2,236</u></b>	<b><u>\$4,619,744</u></b>
Reserve for Encumbrances, December 31	<u>\$55,288</u>	<u>\$0</u>	<u>\$0</u>	<u>\$55,288</u>

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

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Georgetown, Brown County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water, electric, and sewer utilities, refuse pickup, and fire and police services

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village 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 Auditor of State prescribes or permits.

**C. Cash and Investments**

The Village funds are deposited in a checking account and certificates of deposit. All deposits are valued at cost.

The Village also has investments in a money market mutual fund and STAR Ohio, which are recorded at share values the mutual funds report. The Village's accounting basis includes investments as assets.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

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

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

Municipal Income Tax Fund - This fund receives the remaining income tax receipts after cost of collection and distributions of amounts set by Ordinance #999 to the General, Fire, Fire Capital, and Park Funds.

Fire Fund - This fund is used to account for receipts from the Village income tax ordinance, property taxes, and fire contracts. Disbursements are for the purpose of providing fire protection.

**3. Debt Service Funds**

This fund is used to account for resources the Village accumulates to pay debt.

**4. Permanent Funds**

Accounts for trust arrangements under which the earnings may be used for the care of a certain lot located at Confidence Cemetery, Georgetown, Ohio. Any remaining monies may be used for the beautification and care of the grounds only and shall not be used for the tombstones or monuments for non-family members. The monies are invested in a certificate of deposit.

**5. 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 Fund - This fund receives charges for services from residents to cover water service costs.

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

Electric Fund - This fund receives charges for services from residents to cover electric service costs.

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

**6. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

The Village's private purpose trust fund accounts for programs that are designed to help the poor.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for Mayor's Court and unclaimed monies. Mayor's Court receives monies for collections on fines imposed from tickets issued by the Village's police protection force. The funds collected, are in part, on behalf of the State of Ohio.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

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

A summary of 2008 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. 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.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. Equity in Pooled Cash and Investments**

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

	2009	2008
Demand deposits	\$27,064	\$24,459
Certificates of deposit	2,521,424	2,021,424
Total deposits	2,548,488	2,045,883
STAR Ohio	200,000	700,000
Goldman Sachs Financial Square Money Market Mutual Fund	5,370,524	5,354,049
Total investments	5,570,524	6,054,049
Total deposits and investments	\$8,119,012	\$8,099,932

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio and money market mutual fund are not evidenced by securities that exist in physical or book-entry form. The Village's investment in the Goldman Sachs Financial Square Money Market Mutual Fund is exposed to custodial credit risk in that this investment is uninsured, unregistered and held by the financial institution that is the counterparty that purchases the mutual fund. The mutual funds are not held in the Village's name.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008, follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,005,525	\$767,073	(\$238,452)
Special Revenue	717,100	633,835	(83,265)
Debt Service	7,517	7,515	(2)
Enterprise	5,254,420	5,041,136	(213,284)
Permanent	10,000	3,455	(6,545)
Fiduciary	800	0	(800)
Total	\$6,995,362	\$6,453,014	(\$542,348)



**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,141,405	\$1,038,216	\$103,189
Special Revenue	1,047,086	613,481	433,605
Debt Service	7,517	7,515	2
Enterprise	5,435,443	4,834,201	601,242
Fiduciary	1,500	135	1,365
Total	<u>\$7,632,951</u>	<u>\$6,493,548</u>	<u>\$1,139,403</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,061,750	\$992,906	(\$68,844)
Special Revenue	972,492	715,968	(256,524)
Debt Service	7,520	7,515	(5)
Enterprise	5,215,000	5,096,273	(118,727)
Permanent	0	8,939	8,939
Fiduciary	20,800	11,656	(9,144)
Total	<u>\$7,277,562</u>	<u>\$6,833,257</u>	<u>(\$444,305)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,044,830	\$961,963	\$82,867
Special Revenue	1,183,359	795,026	388,333
Debt Service	7,517	7,515	2
Enterprise	5,310,651	4,918,212	392,439
Fiduciary	11,500	11,356	144
Total	<u>\$7,557,857</u>	<u>\$6,694,072</u>	<u>\$863,785</u>

**4. Property Tax**

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.

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.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. Property Tax (Continued)**

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

**5. Local Income Tax**

The Village levies a municipal income tax of one-half 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.

**6. Debt**

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan #1	\$13,839	6.250%
Ohio Water Development Authority Loan #2	308,620	2.000%
Water Mortgage Revenue Bonds	566,317	5.875%
Fire Equipment Bonds	22,732	5.625%
Fire Truck Bond	87,745	3.900%
Total	\$999,253	

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer lines and plant expansion project that was mandated by the Ohio Environmental Protection Agency. OWDA Loan #1 was originally borrowed in 1970 for a total of \$109,620 for a term of 40 years. OWDA Loan #2 was originally borrowed in 1990 for a total of \$2,597,008 for a term of 20 years. The loans will be repaid in semiannual installments of \$3,758 and \$79,344, respectively. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. OWDA Loan #1 will be retired from the OWDA Debt Service Fund and OWDA Loan #2 will be retired from the Sewer Fund.

The mortgage revenue bonds were used to expand water lines in 1992. The original bonds were for \$765,000 and were for a water hook up with Brown County Rural Water lines. The bonds are payable over 20 years and are collateralized by future earnings afforded by the system. The bonds will be retired from the Water Fund.

In 2000 the Village issued \$179,906 of Fire Equipment Bonds. The Village issued these bonds to purchase a fire truck for the Fire Department. These bonds are payable over 20 years with semiannual payments that vary as set forth in the amortization schedule. These are general obligations of the Village and are collateralized by tax revenues. The bonds will be retired from the Fire Fund.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. Debt (Continued)**

In 2003 the Village issued \$196,580 in Fire Truck Bonds. The Village issued these bonds to purchase a fire truck. These bonds are payable over 10 years with semiannual payments that vary as set forth in the amortization schedule. These are general obligations of the Village and are collateralized by the full faith, credit, and revenue of the Village. The bonds will be retired from the Fire Fund.

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

Year ending December 31:	OWDA Loan #1	OWDA Loan #2	Water Mortgage Revenue Bonds	Fire Equipment Bonds	Fire Truck Bonds
2010	7,515	158,187	47,471	23,372	24,116
2011	7,515	158,187	47,537		24,116
2012			47,550		24,116
2013			47,510		24,116
2014			47,517		
2015 - 2019			238,076		
2020 - 2024			238,897		
2025 - 2029			239,821		
2030			46,497		
Total	<u>\$15,030</u>	<u>\$316,374</u>	<u>\$1,000,876</u>	<u>\$23,372</u>	<u>\$96,464</u>

**7. Lease/Option to Purchase**

In 2004, the Village approved to enter into a lease with an option to purchase with Cahall Bros., Inc. for the use of real estate. The lease is for 10 years, with 120 monthly payments of \$3,000, totaling \$360,000. At the end of the 10 year period, the Village has the option to purchase the real estate for an additional \$40,000. Cahall Bros., Inc. agreed to pay for all real estate taxes. The real estate leased is to be used for operation of the various Village departments. Payments are made from the Electric Fund.

**8. Retirement Systems**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2009, OP&F participants contributed 10% of their wages. For 2008 and 2009, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2008 and 2009, 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, 2009.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**9. Risk Management**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and equipment;
- Inland Marine;
- Errors and omissions;
- Umbrella for liability;
- Property and casualty; and
- Public employee dishonesty

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



# Mary Taylor, CPA

## Auditor of State

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

Village of Georgetown  
Brown County  
301 South Main Street  
Georgetown, Ohio 45121

To the Village Council:

We have audited the financial statements of the Village of Georgetown, Brown County, Ohio (the Village), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated December 6, 2010 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated December 6, 2010.

We intend this report solely for the information and use of management, Village Council, and others within the Village. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

December 6, 2010

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	ORC Section 2949.091(A)(1), court cost for not moving violations is to be \$15; Village was collecting \$11; Finding paid under audit.	Yes	
2007-002	OAC Section 117-2-02(A), Village ledgers were not maintained accurately	Yes	
2007-003	ORC 5705.41(D)(1), availability of funds was not certified in 22% of the transactions tested.	No	Partially corrected: reported in the Management Letter.

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**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF GEORGETOWN**

**BROWN 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  
DECEMBER 21, 2010**