



**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Germantown  
Montgomery County  
75 North Walnut Street  
Germantown, Ohio 45327

To the Village Council:

We have audited the accompanying financial statements of the Village of Germantown, Montgomery County, (the Village) as of and for the years ended December 31, 2000 and 1999. 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 *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 for 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 Germantown, Montgomery County, as of December 31, 2000 and 1999, 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 September 14, 2001 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.

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

**Jim Petro**  
Auditor of State

September 14, 2001

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$1,109,089	\$111,353				\$1,220,442
Intergovernmental Receipts	344,863	693,337		\$55,622		1,093,822
Special Assessments		84,077	\$14,779	7,999		106,855
Charges for Services	8,927	932				9,859
Fines, Licenses, and Permits	38,602	524		95,298		134,424
Rent		2,620				2,620
Donations	2,330					2,330
Earnings on Investments	67,314	23,392		17,255	\$1,110	109,071
Miscellaneous	16,165	23,749		320		40,234
<b>Total Cash Receipts</b>	<u>1,587,290</u>	<u>939,984</u>	<u>14,779</u>	<u>176,494</u>	<u>1,110</u>	<u>2,719,657</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	644,486	268,557				913,043
Community Environment	19,803					19,803
Basic Utility Services	742					742
Transportation		305,611				305,611
General Government	452,277	53,156				505,433
Capital Outlay	91,443	432,351		185,861		709,655
Debt Service:						
Principal Payments	75,000		1,945,000	23,300		2,043,300
Interest Payments	3,602		80,482	52,261		136,345
<b>Total Disbursements</b>	<u>1,287,353</u>	<u>1,059,675</u>	<u>2,025,482</u>	<u>261,422</u>		<u>4,633,932</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>299,937</u>	<u>(119,691)</u>	<u>(2,010,703)</u>	<u>(84,928)</u>	<u>1,110</u>	<u>(1,914,275)</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds from Sale of Notes	85,000	385,000		1,480,000		1,950,000
Transfers-In		50,000	2,014,212	300,001		2,364,213
Advances-In		217,770		29,825		247,595
Transfers-Out	(264,544)	(733,724)		(1,293,756)		(2,292,024)
Advances-Out	(247,595)					(247,595)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(427,139)</u>	<u>(80,954)</u>	<u>2,014,212</u>	<u>516,070</u>		<u>2,022,189</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(127,202)</u>	<u>(200,645)</u>	<u>3,509</u>	<u>431,142</u>	<u>1,110</u>	<u>107,914</u>
<b>Fund Cash Balances January 1</b>	<u>353,217</u>	<u>313,632</u>	<u>10,187</u>	<u>332,529</u>	<u>20,703</u>	<u>1,030,268</u>
<b>Fund Cash Balances, December 31</b>	<u>\$226,015</u>	<u>\$112,987</u>	<u>\$13,696</u>	<u>\$763,671</u>	<u>\$21,813</u>	<u>\$1,138,182</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$16,751</u>	<u>\$3,872</u>	<u>\$0</u>	<u>\$509,783</u>	<u>\$0</u>	<u>\$530,406</u>

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

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$1,204,566
Intergovernmental Receipts	500
Miscellaneous	15,335
Total Operating Cash Receipts	1,220,401
<b>Operating Cash Disbursements:</b>	
Personal Services And Benefits	299,914
Travel Transportation	7,004
Contractual Services	631,704
Supplies and Materials	74,374
Maintenance	5,870
Other Expenses	37,288
Capital Outlay	68,167
Total Operating Cash Disbursements	1,124,321
Operating Income/(Loss)	96,080
<b>Non-Operating Cash Disbursements:</b>	
Debt Service-Principal	29,000
Debt Service-Interest	57,550
Total Non-Operating Cash Disbursements	86,550
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	9,530
Transfers-In	137,450
Transfers-Out	(209,639)
Net Receipts Over/(Under) Disbursements	(62,659)
Fund Cash Balances, January 1	425,567
<b>Fund Cash Balances, December 31</b>	<b>\$362,908</b>
Reserve for Encumbrances, December 31	\$10,191

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

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$1,019,229	\$29,718				\$1,048,947
Intergovernmental Receipts	256,424	606,703		\$192,615		1,055,742
Special Assessments		78,847	\$12,811	9,447		101,105
Charges for Services	64,078	7,604		5,038		76,720
Fines, Licenses, and Permits	32,194	400		59,300		91,894
Earnings on Investments	60,925				\$642	61,567
Miscellaneous	10,358	48,534		3,754		62,646
<b>Total Cash Receipts</b>	<b>1,443,208</b>	<b>771,806</b>	<b>12,811</b>	<b>270,154</b>	<b>642</b>	<b>2,498,621</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	622,485	193,621				816,106
Community Environment	20,550	48,031		451	145	69,177
Basic Utility Services	1,207			28,634		29,841
Transportation		217,328		6,478		223,806
General Government	505,116	4,749				509,865
Capital Outlay	118,386	863,079		272,970		1,254,435
Debt Service:						
Principal Payments			1,690,000	22,600		1,712,600
Interest Payments			72,665	52,907		125,572
<b>Total Disbursements</b>	<b>1,267,744</b>	<b>1,326,808</b>	<b>1,762,665</b>	<b>384,040</b>	<b>145</b>	<b>4,741,402</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>175,464</b>	<b>(555,002)</b>	<b>(1,749,854)</b>	<b>(113,886)</b>	<b>497</b>	<b>(2,242,781)</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds from Sale of Notes	75,006	705,000		1,230,012		2,010,018
Proceeds from Sale of Fixed Assets	112					112
Transfers-In		50,000	1,750,180	311,929		2,112,109
Transfers-Out	(234,872)			(1,785,489)		(2,020,361)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(159,754)</b>	<b>755,000</b>	<b>1,750,180</b>	<b>(243,548)</b>		<b>2,101,878</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>15,710</b>	<b>199,998</b>	<b>326</b>	<b>(357,434)</b>	<b>497</b>	<b>(140,903)</b>
<b>Fund Cash Balances January 1</b>	<b>337,507</b>	<b>113,634</b>	<b>9,861</b>	<b>689,963</b>	<b>20,206</b>	<b>1,171,171</b>
<b>Fund Cash Balances, December 31</b>	<b>\$353,217</b>	<b>\$313,632</b>	<b>\$10,187</b>	<b>\$332,529</b>	<b>\$20,703</b>	<b>\$1,030,268</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$63,856</b>	<b>\$87,792</b>	<b>\$0</b>	<b>\$9,636</b>	<b>\$0</b>	<b>\$161,284</b>

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

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$1,221,777
Intergovernmental Receipts	5,000
Miscellaneous	4,453
Total Operating Cash Receipts	1,231,230
<b>Operating Cash Disbursements:</b>	
Personal Services And Benefits	294,100
Travel Transportation	666
Contractual Services	608,463
Supplies and Materials	96,189
Capital Outlay	15,984
Total Operating Cash Disbursements	1,015,402
Operating Income/(Loss)	215,828
<b>Non-Operating Cash Disbursements:</b>	
Debt Service-Principal	27,000
Debt Service-Interest	60,900
Total Non-Operating Cash Disbursements	87,900
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	127,928
Transfers-In	160,629
Transfers-Out	(252,377)
Net Receipts Over/(Under) Disbursements	36,180
Fund Cash Balances, January 1	389,387
<b>Fund Cash Balances, December 31</b>	<b>\$425,567</b>
Reserve for Encumbrances, December 31	\$25,018

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

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Germantown, Montgomery County, (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. Pursuant to the provisions of Article XVIII of the Constitution of Ohio, the voters of the Village adopted a charter for the government of the Village in 1976. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, refuse services, park operations, police services and fire services. Emergency medical services are provided to the Village by Germantown Rescue Squad, which is a volunteer organization.

The Village's management believes these financial statements present all activities for which the Village 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 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of Deposit and U.S. Government Security Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Special Revenue Fund**

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:

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

**Senior Citizens Center Fund** - This fund receives levied tax money from German Township for the construction and operation of a community Senior Citizens Center.

**Fire Services Fund** - This fund receives levied tax money from German Township to provide fire protection services.

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

**Bond Retirement Fund** - This fund receives transfers from various funds to provide for annual debt payments on bond anticipation notes and bonds.

**Special Assessment Street Bond Fund** - This fund receives special assessment revenue from Montgomery County and transfers from various funds to provide for annual debt payments on special assessment bonds.

**4. Capital Project Funds**

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 funds:

**Municipal Building Rehabilitation Fund** - This fund receives proceeds of general obligation debt and transfers from the general fund. This fund provided for the construction of an addition and renovation to the existing Municipal Building completed in 1997 and facilitates for the retirement of debt associated with this project.

**West Market Storm Sewer Fund** - This fund receives proceeds of general obligation debt, Issue II funds and transfers from the general fund. This fund provided for the construction of a storm sewer and sidewalk on West Market Street and Astoria Road and facilitates for the retirement of debt associated with this project.

**Warren Street Reconstruction Fund** - This fund receives proceeds of general obligation debt. This fund provides for the reconstruction of Warren Street.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Enterprise Funds**

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

**Water Fund** - This fund receives charges for services from residents to cover the cost of providing this utility.

**Sewer Fund** - This fund receives charges for services from residents to cover the cost of providing this utility.

**Refuse Fund** - This fund receives charges for services from residents to cover the cost of providing this utility.

**6. Fiduciary Fund (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund would be classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity would be classified as agency funds. The Village had the following significant fiduciary fund:

**Covered Bridge Fund (Expendable Trust)** - This fund receives interest on invested donations to provide for the maintenance of the covered bridge located in the Village.

**E. 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 and object level of control, and appropriations may not exceed estimated resources. The 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.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 2000 and 1999 budgetary activity appears in Note 4.

**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.

**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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 35,142	\$ 22,930
Certificates of deposit	0	15,350
Total deposits	<u>35,142</u>	<u>38,280</u>
U.S. Government Securities	1,103,660	1,048,776
STAR Ohio	362,288	368,779
Total investments	<u>1,465,948</u>	<u>1,417,555</u>
Total deposits and investments	<u>\$ 1,501,090</u>	<u>\$ 1,455,835</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**Investments:** U.S. Government Securities are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. RESTATEMENT OF FUND BALANCE**

For the years ended December, 31, 2000 and 1999, the Village reclassified the Street Lighting Fund from the Capital Projects Fund Type to the Special Revenue Fund Type. This Fund is utilized to accumulate assessment revenue for street light general operations. Additionally, the Village reclassified the Street Assessment Bond Retirement Fund from the Capital Projects Fund Type to the Debt Service Fund Type. The effects of these reclassifications are reflected in the following schedule.

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>
Fund Balance, December 31, 1998:	\$98,044	\$0	\$715,414
Restatement Amount:	15,590	9,861	(25,451)
Fund Balance, January 1, 1999:	\$113,634	\$9,861	\$689,963

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

**2000 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 1,467,892	\$ 1,672,290	\$ 204,398
Special Revenue	1,509,599	1,374,984	(134,615)
Debt Service	2,104,269	2,028,991	(75,278)
Capital Projects	1,151,093	1,956,495	805,402
Enterprise	1,367,960	1,357,851	(10,109)
Expendable Trust	750	1,110	360
Total	\$ 7,601,563	\$ 8,391,721	\$ 790,158

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,530,838	\$ 1,568,648	\$ (37,810)
Special Revenue	1,758,408	1,797,271	(38,863)
Debt Service	2,104,702	2,025,482	79,220
Capital Projects	1,976,056	2,064,961	(88,905)
Enterprise	1,420,204	1,430,701	(10,497)
Expendable Trust	6,350	0	6,350
Total	\$ 8,796,558	\$ 8,887,063	\$ (90,505)

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**4. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 1,348,824	\$ 1,518,326	\$ 169,502
Special Revenue	1,137,334	1,526,806	389,472
Debt Service	1,761,555	1,762,991	1,436
Capital Projects	1,885,703	1,812,095	(73,608)
Enterprise	1,391,616	1,391,859	243
Expendable Trust	750	642	(108)
Total	<u>\$ 7,525,782</u>	<u>\$ 8,012,719</u>	<u>\$ 486,937</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,585,414	\$ 1,566,472	\$ 18,942
Special Revenue	1,642,956	1,414,600	228,356
Debt Service	1,763,019	1,762,665	354
Capital Projects	2,521,027	2,179,165	341,862
Enterprise	1,275,261	1,380,697	(105,436)
Expendable Trust	9,000	145	8,855
Total	<u>\$ 8,796,677</u>	<u>\$ 8,303,744</u>	<u>\$ 492,933</u>

Fund appropriations exceeded the total estimated resources in certain funds as of December 31, 2000 and 1999. This is contrary to Ohio Rev. Code, Section 5705.39.

At the legal level of budgetary control, budgetary expenditures exceeded appropriations for certain line items as of December 31, 2000 and 1999. This is contrary to Ohio Rev. Code, Section 5705.41(B).

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. PROPERTY TAX (Continued)**

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.

**6. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Special Assessment Bonds	\$ 25,000	5.99% - 7.375%
General Obligation Bonds	70,000	6.1%
General Obligation Notes	1,950,000	various
Municipal Building Construction Bonds	827,200	5.5%
Mortgage Revenue Bonds	<u>1,162,000</u>	5.0%
Total	<u>\$ 4,034,200</u>	

Outstanding special assessment bonds consist of bonds issued to fund sidewalk and street improvement projects. A portion of the debt will be repaid through affected property owner assessments. The remaining portion will be repaid through transfers from the General Fund.

Outstanding notes consist of various issues to fund construction projects and various improvements. All of these issues have been issued for a period of one year or less. Notes will be repaid through re-issuance of the obligation and transfers from the General Fund.

Outstanding general obligation bonds consist of bonds for Weaver Road improvements. General obligations are direct obligations of the Village for which the Village's full faith and credit are pledged and are payable from taxes levied on all taxable property in the Village.

Outstanding municipal building construction bonds consist of bonds for the renovation of the Village's municipal building. The bonds were financed by the United States Department of Agriculture through the Community Facility Loan Program.

Outstanding mortgage revenue bonds are for the improvement of the water system for the Village. Property and revenue of the Village's water system has been pledged to repay this debt.

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. DEBT (Continued)**

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

<b>Year ending December 31:</b>	<b>Special Assessment Bonds</b>	<b>General Obligation Bonds</b>	<b>General Obligation Notes</b>	<b>Municipal Building Construction Bonds</b>	<b>Mortgage Revenue Bonds</b>
2001	\$ 16,639	\$ 9,270	\$ 2,037,750	\$ 59,596	\$ 88,100
2002	10,640	8,965	0	59,421	88,600
2003	0	8,660	0	59,612	88,000
2004	0	8,355	0	59,449	88,350
2005	0	8,050	0	59,547	88,600
Subsequent	<u>0</u>	<u>58,725</u>	<u>0</u>	<u>1,309,343</u>	<u>1,500,050</u>
Total	<u>\$ 27,279</u>	<u>\$ 102,025</u>	<u>\$ 2,037,750</u>	<u>\$ 1,606,968</u>	<u>\$ 1,941,700</u>

**7. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, 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 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for the period January, 1999 through June, 2000 and an amount equal to 8.13% of participants' gross salaries for July through December, 2000. The Village has paid all contributions required through December 31, 2000.

**8. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

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

**VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**9. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.25 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.

**10. SUBSEQUENT EVENTS**

Ohio Public Works Commission approved a loan agreement at July 1, 2000 with the Village for \$135,000. This loan was approved to fund the Hillcrest Drive Sewer System Inflow and Infiltration Improvements. As of the date of this report, the Village has not obtained funding through this loan agreement.

**11. CONTINGENT LIABILITIES**

The Village is party to a lawsuit. The outcome of this litigation is not known at this time.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Village of Germantown  
Montgomery County  
75 North Walnut Street  
Germantown, Ohio 45327

To the Village Council:

We have audited the accompanying financial statements of the Village of Germantown, Montgomery County, (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated September 14, 2001. 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 *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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-30357-001 and 2000-30357-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 14, 2001.

**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 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 of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated September 14, 2001.

Village of Germantown  
Montgomery County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

September 14, 2001

VILLAGE OF GERMANTOWN  
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-30357-001

Noncompliance Citation

**Ohio Rev. Code Section 5705.39** requires that total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

As of December 31, 2000, the Village had the following significant variance:

	<b>Total Estimated Resources</b>	<b>Total Appropriations</b>	<b>Variance</b>
Warren Street Construction- Capital Projects Fund	\$0	\$484,000	(\$484,000)

As of December 31, 1999, the Village had the following significant variance:

	<b>Total Estimated Resources</b>	<b>Total Appropriations</b>	<b>Variance</b>
Fire Services- Special Revenue Fund	\$135,314	\$600,788	(\$465,474)

The Village should develop and implement policies and procedures to ensure that appropriations do not exceed total estimated resources.

**FINDING NUMBER 2000-30357-002**

**Noncompliance Citation**

**Ohio Rev. Code, Section 5705.41(B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The following variances were noted:

	<b>Fund/ Expenditure Line Item</b>	<b>Total Appropriations</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
As of 5/31/00:	Senior Citizens- Special Revenue Fund/Capital Outlay	\$0	\$141,744	(\$141,744)
As of 11/30/99:	Fire Services- Special Revenue Fund/ Capital Outlay	\$4,250	\$457,419	(\$453,169)
As of 12/31/99:	Water- Enterprise Fund/ Transfers Out	\$173,122	\$209,950	(\$36,828)
As of 12/31/99:	Refuse- Enterprise Fund/ Contractual Services	\$207,100	\$243,705	(\$36,605)

Other less significant errors were also noted. The Village should develop and implement policies and procedures to ensure that budgetary expenditures do not exceed appropriations.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF GEMANTOWN**

**MONTGOMERY 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  
NOVEMBER 8, 2001**