



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 a February 2, 2005 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 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.

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

**Mary Taylor, CPA**  
Auditor of State

April 17, 2007

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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 the Village of Georgetown, Brown 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 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2005. 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 larger (i.e. major) funds separately for 2005. 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 statements. Since this 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 year 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.

The financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Georgetown, Brown 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 our report dated April 17, 2007, 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.



**Mary Taylor, CPA**  
Auditor of State

April 17, 2007



**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE:  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Governmental Fund Types</b>					<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Permanent</b>	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$42,662	\$108,635	\$0			\$151,297
Municipal Income Tax	242,670	195,539				438,209
Intergovernmental Receipts	213,166	272,113		\$4,000		489,279
Special Assessments	199,817	899				200,716
Charges for Services	14,950	98,602			\$10,050	123,602
Fines, Licenses, and Permits	88,570	2,595				91,165
Earnings on Investments	170,668	27,345			6,628	204,641
All Other Revenue	6,162	1,400			3,300	10,862
<b>Total Cash Receipts</b>	<b>978,665</b>	<b>707,128</b>	<b>0</b>	<b>4,000</b>	<b>19,978</b>	<b>1,709,771</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	524,241	60,651				584,892
Public Health Services		33,493				33,493
Leisure Time Activities		7,439				7,439
Transportation		93,863				93,863
Community Environment	7,474	244				7,718
General Government	168,275	100,603				268,878
Supplies and Materials					83	83
Capital Outlay	65,686	252,191		4,000		321,877
Principal Payments		54,382	4,910			59,292
Interest Payments		15,692	2,605			18,297
<b>Total Cash Disbursements</b>	<b>765,676</b>	<b>618,558</b>	<b>7,515</b>	<b>4,000</b>	<b>83</b>	<b>1,395,832</b>
Total Receipts Over/(Under) Disbursements	212,989	88,570	(7,515)	0	19,895	313,939
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In			7,515			7,515
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>0</b>	<b>7,515</b>	<b>0</b>	<b>0</b>	<b>7,515</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	212,989	88,570	0	0	19,895	321,454
Fund Cash Balances, January 1	859,312	1,092,870	26,723	0	283,320	2,262,225
<b>Fund Cash Balances, December 31</b>	<b>\$1,072,301</b>	<b>\$1,181,440</b>	<b>\$26,723</b>	<b>\$0</b>	<b>\$303,215</b>	<b>\$2,583,679</b>
Reserves for Encumbrances, December 31	\$187	\$5,849				\$6,036

*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 SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$4,480,528	\$300		\$4,480,828
Earnings on Investments				0
Total Operating Cash Receipts	<u>4,480,528</u>	<u>300</u>		<u>4,480,828</u>
<b>Operating Cash Disbursements:</b>				
Personal Services	547,208			547,208
Employee Fringe Benefits	233,707			233,707
Contractual Services	2,818,177			2,818,177
Supplies and Materials	254,627			254,627
Other	104,339	60		104,399
Capital Outlay	54,178			54,178
Total Operating Cash Disbursements	<u>4,012,236</u>	<u>60</u>		<u>4,012,296</u>
Operating Income/(Loss)	<u>468,292</u>	<u>240</u>		<u>468,532</u>
<b>Non-Operating Cash Receipts:</b>				
Proceeds Of Notes	15,870			15,870
Miscellaneous Receipts	40,736			40,736
Other Non-Operating Receipts	17,033		\$88,311	105,344
Other Non-Operating Disbursements			(88,196)	(88,196)
Total Non-Operating Cash Receipts	<u>73,639</u>	<u>0</u>	<u>115</u>	<u>73,754</u>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service - Principal	191,518			191,518
Debt Service - Interest	94,422			94,422
Total Non-Operating Cash Disbursements	<u>285,940</u>	<u>0</u>	<u>0</u>	<u>285,940</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	<u>255,991</u>	<u>240</u>	<u>115</u>	<u>256,346</u>
Transfers-In	86,000			86,000
Transfers-Out	(93,515)			(93,515)
Net Receipts Over/(Under) Disbursements	248,476	240	115	248,831
Fund Cash Balances, January 1	<u>3,915,805</u>	<u>7,692</u>	<u>1,621</u>	<u>3,925,118</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$4,164,281</u></b>	<b><u>\$7,932</u></b>	<b><u>\$1,736</u></b>	<b><u>\$4,173,949</u></b>
Reserve for Encumbrances, December 31	<u>\$5,932</u>			<u>\$5,932</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 AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$41,540	\$105,742				\$147,282
Municipal Income Tax	227,544	186,172				413,716
Intergovernmental Receipts	188,957	176,178		\$45,888		411,023
Special Assessments	190,523	0				190,523
Charges for Services	16,552	87,946			\$5,122	109,620
Fines, Licenses, and Permits	74,335	1,230				75,565
Earnings on Investments	68,378	8,066			3,647	80,091
All Other Revenue	6,412	2,274				8,686
<b>Total Cash Receipts</b>	<b>814,241</b>	<b>567,608</b>	<b>\$0</b>	<b>45,888</b>	<b>8,769</b>	<b>1,436,506</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	485,360	70,461				555,821
Public Health Services	111	46,085				46,196
Leisure Time Activities		1,092				1,092
Transportation		90,995				90,995
Community Environment	7,804	1,528				9,332
General Government	159,083	112,516				271,599
Capital Outlay	51,325	296,869		45,888		394,082
Debt Service						
Debt Service - Principal		52,819	4,623			57,442
Debt Service - Interest		17,992	2,893			20,885
<b>Total Cash Disbursements</b>	<b>703,683</b>	<b>690,357</b>	<b>7,516</b>	<b>45,888</b>	<b>0</b>	<b>1,447,444</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>110,558</b>	<b>(122,749)</b>	<b>(7,516)</b>	<b>0</b>	<b>8,769</b>	<b>(10,938)</b>
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In			7,512			7,512
Other Financing Uses			4			4
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>0</b>	<b>7,516</b>	<b>0</b>	<b>0</b>	<b>7,516</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	110,558	(122,749)	0	0	8,769	(3,422)
Fund Cash Balances, January 1	748,754	1,215,619	26,723	0	274,551	2,265,647
<b>Fund Cash Balances, December 31</b>	<b>\$859,312</b>	<b>\$1,092,870</b>	<b>\$26,723</b>	<b>\$0</b>	<b>\$283,320</b>	<b>\$2,262,225</b>
Reserves for Encumbrances, December 31	\$14,227	\$2,335				\$16,562

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 SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$4,243,515	\$0		\$4,243,515
Earnings on Investments		0		0
Total Operating Cash Receipts	<u>4,243,515</u>	<u>0</u>	<u>\$0</u>	<u>4,243,515</u>
<b>Operating Cash Disbursements:</b>				
Personal Services	480,270			480,270
Employee Fringe Benefits	179,769			179,769
Contractual Services	2,648,317			2,648,317
Supplies and Materials	210,748			210,748
Capital Outlay	84,994			84,994
Other	108,975			108,975
Total Operating Cash Disbursements	<u>3,713,073</u>	<u>0</u>		<u>3,713,073</u>
Operating Income/(Loss)	<u>530,442</u>	<u>0</u>	<u>0</u>	<u>530,442</u>
<b>Non-Operating Cash Receipts:</b>				
Proceeds of Notes	42,174			42,174
Miscellaneous Receipts	391			391
Other Non-Operating Receipts		0	75,492	75,492
Total Non-Operating Cash Receipts	<u>42,565</u>	<u>0</u>	<u>75,492</u>	<u>118,057</u>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service - Principal	213,490			213,490
Debt Service - Interest	62,742			62,742
Other Non-Operating Cash Receipts				0
Other Non-Operating Cash Disbursements			75,707	75,707
Total Non-Operating Cash Disbursements	<u>276,232</u>	<u>0</u>	<u>75,707</u>	<u>351,939</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	<u>296,775</u>	<u>0</u>	<u>(215)</u>	<u>296,560</u>
Transfers-In	86,000	0		86,000
Transfers - Out	93,512	0		93,512
Net Receipts Over/(Under) Disbursements	289,263	0	(215)	289,048
Fund Cash Balances, January 1	<u>3,626,542</u>	<u>7,692</u>	<u>1,836</u>	<u>3,636,070</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$3,915,805</u></b>	<b><u>\$7,692</u></b>	<b><u>\$1,621</u></b>	<b><u>\$3,925,118</u></b>
Reserve for Encumbrances, December 31	<u>\$37,007</u>			<u>\$37,007</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, 2005 AND 2004**

**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 governs 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. Basis of Accounting**

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. This basis 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 adequately disclose material matters the Auditor of State prescribes.

**C. Cash and Investments**

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale 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 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 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.

Municipal Income Tax – This fund receives local taxes for the maintenance and improvement of streets.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

Voted Fire Department Levy 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. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Sewer Grant Construction Fund – Primary source of receipts are from a state grant.

**4. Permanent Fund**

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 Fund:

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.

Electric Fund - This fund receives charges for electrical services provided to residents to cover the cost of providing the utilities.

Trash Fund - - This fund receives charges for electrical services provided to residents to cover the cost of providing the utilities.

**6. Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to 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. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund which is a Mayor's Court receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected, in part, on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization, and general Village operations.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

**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. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 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**

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.

**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:

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	2005	2004
Demand deposits	\$365	\$325,250
Certificates of deposit	2,346,423	2,021,423
Total deposits	<u>2,346,788</u>	<u>2,346,673</u>
Repurchase Agreement	3,710,840	3,140,670
STAR Ohio	700,000	700,000
Total investments	<u>4,410,840</u>	<u>3,840,670</u>
Total deposits and investments	<u><u>\$6,757,628</u></u>	<u><u>\$6,187,343</u></u>

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$755,229	\$978,665	\$223,436
Special Revenue	623,696	707,128	83,432
Debt Service	7,515	7,515	0
Capital Projects	7,862	4,000	(3,862)
Permanent	9,500	19,978	10,478
Enterprise	4,174,500	4,640,167	465,667
Total	<u><u>\$5,578,302</u></u>	<u><u>\$6,357,453</u></u>	<u><u>\$779,151</u></u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$892,552	\$765,863	\$126,689
Special Revenue	743,869	624,407	119,462
Debt Service	7,515	7,515	0
Capital Projects	0	4,000	(4,000)
Permanent	0	83	(83)
Enterprise	4,795,367	4,397,623	397,744
Total	<u><u>\$6,439,303</u></u>	<u><u>\$5,799,491</u></u>	<u><u>\$639,812</u></u>



**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$712,204	\$814,241	\$102,037
Special Revenue	589,545	567,607	(21,938)
Debt Service	7,515	7,515	0
Capital Projects	53,750	45,888	(7,862)
Permanent	5,600	8,769	3,169
Enterprise	4,272,500	4,372,079	99,579
Total	\$5,641,114	\$5,816,099	\$174,985

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$877,030	\$717,910	\$159,120
Special Revenue	911,045	692,692	218,353
Debt Service	7,516	7,516	0
Capital Projects	53,750	45,888	7,862
Permanent	0	0	0
Enterprise	4,445,614	4,119,824	325,790
Total	\$6,294,955	\$5,583,830	\$711,125

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of ½ percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**6. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #1	\$36,753	6.25%
Ohio Water Development Authority Loan #2	892,977	2.00%
Water Mortgage Revenue Bonds	615,300	0.00%
Fire Equipment Bonds	102,183	5.63%
Digger Derick Truck Note	15,870	3.95%
Fire Truck Bond	145,282	3.90%
Fire House Building Bond	<u>60,000</u>	3.42%
Total	<u><u>\$1,868,365</u></u>	

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. The OWDA has approved loans in the amount of \$109,620 to the Village for 20 years for loan #1 and \$2,605,201 for 40 years for loan #2. 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.

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.

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.

In 2001 the Village issued \$110,000 in Bond Anticipation Notes for one year. The notes were for the purpose of acquiring a new/demo digger truck for the electric department. The note was issued in anticipation of the issuance of a like principal amount of bonds for the purpose of acquiring a Digger Derrick Truck for the Village. The note may be renewed for a maximum of seven years. The note was renewed in 2004 for \$42,174 and in 2005 for \$15,870.

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.

In 2003 the Village issued \$100,000 in Fire House Building Bonds. The Village issued these bonds to acquire and construct an addition to the Village's existing fire house. These bonds are payable over 5 years with semiannual payments that vary as set forth in the amortization schedule.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**6. DEBT (Continued)**

Amortization of the above debt, including interest, follows:

Year Ending December 31:	OWDA Loans	Water Mortgage Revenue Bonds	General Obligation Bonds	Bond Anticipation Note
2006	\$166,204	\$47,480	\$69,953	\$16,616
2007	166,204	47,415	69,143	
2008	166,204	47,415	67,945	
2009	166,204	47,475	47,522	
2010	166,204	47,489	47,487	
2011-2015	166,204	237,745	48,233	
2016-2020		238,226		
2021-2025		239,082		
2026-2030		238,220		
Total	<u>\$997,224</u>	<u>\$1,190,547</u>	<u>\$350,283</u>	<u>\$16,616</u>

**7. RETIREMENT SYSTEMS**

The Village's law enforcement officers [and firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time 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 the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant [and 24 percent of fire participant] wages. OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2005.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and equipment;
- Inland Marine;
- Errors and Omissions;

VILLAGE OF GEORGETOWN  
BROWN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)

**8. RISK MANAGEMENT (Continued)**

- Umbrella for Liability
- Property and Casualty
- 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, 2005 and 2004, and have issued our report thereon dated April 17, 2007, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 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 operation that we consider material weaknesses. In a separate letter to the Village's management dated April 17, 2007 we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **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*. In a separate letter to the Village's management dated April 17, 2007, we reported other matters related to noncompliance we deemed immaterial.

Village of Georgetown  
Brown County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management and village council. It is not intended for anyone 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

April 17, 2007

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

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>
2003-001	Ohio Revised Code Section 5705.39 Appropriations exceeded estimated resources.	Yes	N/A
2003-002	Police did not always use the approved bond schedule.	Yes	N/A







**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  
MAY 10, 2007**