



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF GEORGETOWN  
BROWN COUNTY  
DECEMBER 31, 2019 AND 2018**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2019 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2019 .....	4
Notes to the Financial Statements for the Year Ended December 31, 2019 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2018 .....	17
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2018 .....	18
Notes to the Financial Statements for the Year Ended December 31, 2018 .....	19
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31
Schedule of Findings .....	33
Summary Schedule of Prior Audit Findings (Prepared by Management) .....	35

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Georgetown, Brown County, Ohio (the Village) as of and for the year ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Georgetown, Brown County as of December 31, 2019 and 2018, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matters***

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

October 1, 2020

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$246,914	\$507,830	\$0	\$0	\$754,744
Municipal Income Tax	803,321	281,469	0	0	1,084,790
Intergovernmental	147,791	267,657	0	0	415,448
Charges for Services	50,023	523,157	0	0	573,180
Fines, Licenses and Permits	130,943	15,509	0	0	146,452
Earnings on Investments	124,508	7,330	0	4,285	136,123
Miscellaneous	11,414	26,004	0	0	37,418
<i>Total Cash Receipts</i>	<u>1,514,914</u>	<u>1,628,956</u>	<u>0</u>	<u>4,285</u>	<u>3,148,155</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	720,113	704,411	0	0	1,424,524
Public Health Services	9,843	52,832	0	2,823	65,498
Leisure Time Activities	0	4,541	0	0	4,541
Community Environment	0	74,201	0	0	74,201
Transportation	0	99,388	0	0	99,388
General Government	267,153	49,541	0	0	316,694
Capital Outlay	186,264	323,569	0	0	509,833
Debt Service:					
Principal Retirement	0	63,896	0	0	63,896
Interest and Fiscal Charges	0	5,987	0	0	5,987
<i>Total Cash Disbursements</i>	<u>1,183,373</u>	<u>1,378,366</u>	<u>0</u>	<u>2,823</u>	<u>2,564,562</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>331,541</u>	<u>250,590</u>	<u>0</u>	<u>1,462</u>	<u>583,593</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	7,117	0	0	0	7,117
Other Financing Uses	(5)	0	0	0	(5)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>7,112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,112</u>
<i>Net Change in Fund Cash Balances</i>	<u>338,653</u>	<u>250,590</u>	<u>0</u>	<u>1,462</u>	<u>590,705</u>
<i>Fund Cash Balances, January 1</i>	<u>2,212,975</u>	<u>2,978,311</u>	<u>26,722</u>	<u>217,659</u>	<u>5,435,667</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	\$7,710	\$0	\$0	\$200,000	207,710
Restricted	0	3,167,070	26,722	19,121	3,212,913
Committed	0	61,831	0	0	61,831
Assigned	307,875	0	0	0	307,875
Unassigned (Deficit)	2,236,043	0	0	0	2,236,043
<i>Fund Cash Balances, December 31</i>	<u>\$2,551,628</u>	<u>\$3,228,901</u>	<u>\$26,722</u>	<u>\$219,121</u>	<u>\$6,026,372</u>

See accompanying notes to the financials

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Types	Fiduciary Fund Types		Totals
	Enterprise	Custodial	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Charges for Services	\$6,852,069	\$0	\$0	\$6,852,069
Fines, Licenses, and Permits	0	151,752	0	151,752
Earning on Investments (trust fund only)	0	0	74	\$74
<i>Total Operating Cash Receipts</i>	<u>6,852,069</u>	<u>151,752</u>	<u>74</u>	<u>7,003,895</u>
<b>Operating Cash Disbursements</b>				
Personal Services	908,717	0	0	908,717
Employee Fringe Benefits	404,990	0	0	404,990
Contractual Services	3,919,750	0	0	3,919,750
Supplies and Materials	303,312	0	0	303,312
Other	111,665	151,752	100	263,517
<i>Total Operating Cash Disbursements</i>	<u>5,648,434</u>	<u>151,752</u>	<u>100</u>	<u>5,800,286</u>
<i>Operating Income (Loss)</i>	<u>1,203,635</u>	<u>0</u>	<u>(26)</u>	<u>1,203,609</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Other Debt Proceeds	259,454	0	0	259,454
Miscellaneous Receipts	17,146	0	0	17,146
Capital Outlay	(500,291)	0	0	(500,291)
Principal Retirement	(458,964)	0	0	(458,964)
Interest and Other Fiscal Charges	(102,604)	0	0	(102,604)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(785,259)</u>	<u>0</u>	<u>0</u>	<u>(785,259)</u>
<i>Income (Loss) before Transfers</i>	418,376	0	(26)	418,350
Transfer In	86,000	0	0	86,000
Transfer Out	(86,000)	0	0	(86,000)
<i>Net Change in Fund Cash Balances</i>	418,376	0	(26)	418,350
<i>Fund Cash Balances, January 1</i>	<u>8,629,940</u>	<u>0</u>	<u>7,923</u>	<u>8,637,863</u>
<i>Fund Cash Balances, December 31</i>	<u>\$9,048,316</u>	<u>\$0</u>	<u>\$7,897</u>	<u>\$9,056,213</u>

See accompanying notes to the financials

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 1 - Reporting Entity**

The Village of Georgetown, Brown County, (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, refuse pickup, cemetery and park operations and police, fire, and emergency medical services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction, Maintenance, and Repair Fund*** – The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing streets within the Village. This fund also accounts for a percentage of monies collected from the municipal income tax for constructing and maintenance of roads, streets and alleys.

***Municipal Income Tax Fund*** – This fund receives income tax receipts allocated for the cost of collection set by the annual appropriations. Municipal income tax distributions are set by Ordinance to the General, Street, Fire, Fire Capital and Park Funds; with any remaining monies in the income tax fund to be used for construction and maintenance of roads, streets and alleys.

***EMS Fund*** – This fund received fees from ambulance runs for operation and upkeep of the Emergency Medical Services operation.

***Fire Fund*** – This fund received a reimbursement grant from Public Entity Pool of Ohio for safety equipment purchased by the Fire Department.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Special Revenue Funds (Continued)***

***Fire-EMS Fund*** - This fund receives fees from ambulance runs; contract money from various townships in which the Village Fire-EMS Department covers; and property tax money for the operation and upkeep of the Georgetown Fire-EMS Department.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant debt service fund.

***OWDA Fund***- This fund was derived from a debt service restricted for a water/sewer project from a previous fiscal year and carries the remaining balance; but has had no activity.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

***Robinson Cemetery Trust Fund*** – This fund accounts for a trust agreement under which the earnings may be used for the care of a certain family lot located in 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.

***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 the cost of providing electric service.

***Trash Fund*** – This fund receives charges for services from residents to cover the cost of providing trash collection service.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds and custodial 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 funds account for programs that are designed to help the poor and to benefit a certain individual per the terms of her will.

Custodial 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 custodial funds account for Mayor's Court and Community Improvement Corporation. Mayor's Court receives monies from collections of 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. Community Improvement Corporation proceeds from sales of property.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***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. Unencumbered appropriations lapse at year end.

***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 approve estimated resources.

***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 re-appropriated.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

***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.

***Fund Balance***

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

<b>2019 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 1,528,735	\$ 1,522,031	\$ (6,704)
Special Revenue	1,030,026	1,628,956	598,930
Permanent	4,200	4,285	85
Enterprise	6,633,000	7,214,669	581,669
Private Purpose Trust	-	74	74
Total	\$ 9,195,961	\$ 10,370,015	\$ 1,174,054

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**2019 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,789,935	\$ 1,269,803	\$ 520,132
Special Revenue	2,083,311	1,774,129	309,182
Debt Service	26,722	-	26,722
Permanent	4,200	2,823	1,377
Enterprise	7,880,930	6,928,338	952,592
Private Purpose Trust	500	100	400
Total	<u>\$ 11,785,598</u>	<u>\$ 9,975,193</u>	<u>\$ 1,810,405</u>

**Note 4 – Deposits**

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

	<b>2019</b>
Demand Deposits	\$ 12,755,875
Certificates of Deposit	1,000,000
Other time deposits (savings and NOW accounts)	1,326,710
Total Deposits	<u>\$ 15,082,585</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by the financial institution's public entity deposit pool; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – Taxes**

**Property Taxes**

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Income Taxes**

The Village levies a municipal income tax of one 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  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 6 - Transfers**

During 2019, the following transfers were made from the Water, Sewer and Electric Funds to their corresponding Improvement and Replacement Reserve Funds in accordance with the Village's ordinance #935, #744, and #822, respectively:

	Transfers - In	Transfers - Out
Water Fund	\$ -	\$ (12,000)
Water I & R	12,000	-
Sewer Fund	-	(26,000)
Sewer I & R	26,000	-
Electric Fund	-	(48,000)
Electric I & R	48,000	-
	\$ 86,000	\$ (86,000)

**Note 7 - Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<u>2019</u>	
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All full-time and part-time employees that are not a full-time Police Officer, full-time Firefighter-EMT, Firefighter or EMT belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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, 2019.

***Ohio Police and Fire Retirement System***

Village's full-time Police Officers and full-time Firefighter-EMT's belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F-Police participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Retirement System (Continued)***

The Ohio Revised Code also prescribes contribution rates. OP&F-Fire participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 24.0% of full-time fire-ems members' wages. The Village has paid all contributions required through December 31, 2019.

***Social Security***

Volunteer Fire Fighters and Emergency Medical Services and part-time Fire-EMS Village employees contributed to social Security. Elected Officials choosing to opt out of contributing to OPERS also contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

**Note 9- Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 10 - Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Water Mortgage Revenue Bonds	\$ 379,118	5.88%
OPWC - CT81M	35,415	0.00%
OPWC - CO070	425,001	0.00%
OWDA #6086	391,229	1.00%
OWDA #6379	122,258	1.50%
OWDA #6384	5,415,405	1.00%
OWDA #7488	103,187	2.51%
OWDA #7661	1,455,916	1.83%
OWDA #7890	(516)	0.00%
Life Squad Bond	93,169	4.68%
Total	<u>\$ 8,420,182</u>	

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 38 years and are collateralized by future earnings afforded by the system. The bonds will be retired from the Water Fund.

The Ohio Public Works Commission (OPWC) Loan CT81M relates to WWTP High Flow Management Upgrades. The loan is for \$64,390, with zero percent interest. The Village will repay this loan in semiannual installments of \$1,609.74 over 20 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover payment requirements. Payments are made from the Sewer Fund.

The Ohio Public Works Commission (OPWC) loan CO070 relating to the Town Run Pump Station SSO Elimination/WWTP Improvements for \$500,000. The Village will repay the loans in semiannual installments of \$8,333, with zero interest, over 30 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the OPWC loan requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Association (OWDA) Loan #6086 relates to Possum Run Pump Station SSO Elimination. The original loan amount was for \$561,615 with an interest rate of 1.00% and is set to mature on January 1, 2033. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Association (OWDA) Loan #6379 relates to Town Run Pump Station SSO Elimination/WWTP Improvement. Total financed amount is \$144,076. The interest rate on this loan is 1.50% and is set to mature January 1, 2044. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Association (OWDA) Loan #6384 relates to Town Run WWTP Improvement. The original loan amount was for \$7,273,126 with an interest rate of 1.00%, and is set to mature January 1, 2034. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 10 – Debt (Continued)**

In 2015, the Village issued \$210,000 in Fire Truck Acquisition Bonds with an interest rate of 2.50%. The Village issued these bonds to purchase a fire truck for the Fire Department. These bonds are payable over 4 years with annual 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. In 2019, the final payment was paid on the Fire Truck Acquisition Bond and retired as of December 31, 2019.

The Ohio Water Development Association (OWDA) Loan #7488 relates to the design for water tower. The OWDA has approved financing for \$117,000 with an interest rate of 2.51%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2019, the loan has not been fully drawn down; therefore, the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

The Ohio Water Development Association (OWDA) Loan #7661 relates to the design for waterline replacement. The OWDA has approved financing for \$1,513,784, with an interest rate of 1.83%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2019, the loan has not been fully drawn down; therefore, the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

The Ohio Water Development Association (OWDA) Loan #7890 relates to the Asset Management Planning and Rate Study for the Water Department. The OWDA has approved financing for \$5,954 and Principle Forgiveness of \$10,000 totaling \$15,954. The interest rate is 0.0%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2019, the loan has not been fully drawn down; therefore, the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

In 2018, the Village issued \$114,311 in a Life Squad Bond with an interest rate of 4.675%. The Village issued these bonds to purchase a life squad for the Georgetown Fire-EMS Department. These bonds are payable over 10 years with annual 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 EMS Fund.

Amortization of the Village's debt principal and interest is scheduled as follows:

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 10 – Debt (Continued)**

Year ending December 31:	Water Mortgage Revenue Bonds	OPWC CT81M	OPWC CO070	OWDA #6086	OWDA #6379	OWDA #6384
2020	47,692	3,219	16,667	31,052	5,982	402,139
2021	47,799	3,219	16,667	31,052	5,982	402,139
2022	47,811	3,219	16,667	31,052	5,982	402,139
2023	47,829	3,219	16,667	31,052	5,982	402,139
2024	47,848	3,219	16,667	31,052	5,982	402,139
2025-2029	239,862	16,099	83,333	155,260	29,910	2,010,693
2030-2034	46,499	3,219	83,333	108,682	29,910	1,608,555
2035-2039	-	-	83,333	-	29,910	-
2040-2044	-	-	83,333	-	26,919	-
2045-2049	-	-	8,334	-	-	-
Total	<u>\$ 525,340</u>	<u>\$35,415</u>	<u>\$425,001</u>	<u>\$ 419,203</u>	<u>\$146,557</u>	<u>\$5,629,942</u>

Year ending December 31:	Life Squad Bond
2020	14,229
2021	14,229
2022	14,229
2023	14,229
2024	14,229
2025-2029	42,687
2030-2034	-
2035-2039	-
2040-2044	-
2045-2049	-
Total	<u>\$ 113,832</u>

**Note 11 – Construction and Contractual Commitments**

The Village began the designs through Brandstetter Carroll for a water tower project in fiscal year 2016 that could have been considered outstanding construction or other contractual commitments as of December 31, 2019. This is related to the Ohio Water Development Association (OWDA) Loan #7488 mentioned in Note 11. No construction commitments for a water tower project were made in 2019 nor are expected to take place in 2020 or after in relation to this OWDA Loan #7488.

**Note 12 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019  
(Continued)**

**Note 13 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 14 - Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Debt Service	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$249,469	\$120,013	\$0	\$0	\$369,482
Municipal Income Tax	765,603	274,018	0	0	1,039,621
Intergovernmental	339,378	214,772	0	0	554,150
Charges for Services	50,025	469,133	0	0	519,158
Fines, Licenses and Permits	124,450	11,429	0	0	135,879
Earnings on Investments	80,746	3,914	0	4,158	88,818
Miscellaneous	15,781	30,885	0	0	46,666
<i>Total Cash Receipts</i>	<u>1,625,452</u>	<u>1,124,164</u>	<u>0</u>	<u>4,158</u>	<u>2,753,774</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	678,280	403,554	0	0	1,081,834
Public Health Services	7,089	70,827	0	2,939	80,855
Leisure Time Activities	0	4,220	0	0	4,220
Community Environment	0	47,786	0	0	47,786
Transportation		105,235	0	0	105,235
General Government	256,662	48,651	0	0	305,313
Capital Outlay	258,273	329,558	0	0	587,831
Debt Service:					
Principal Retirement	0	64,846	0	0	64,846
Interest and Fiscal Charges	0	4,960	0	0	4,960
<i>Total Cash Disbursements</i>	<u>1,200,304</u>	<u>1,079,637</u>	<u>0</u>	<u>2,939</u>	<u>2,282,880</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>425,148</u>	<u>44,527</u>	<u>0</u>	<u>1,219</u>	<u>470,894</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Bonds	0	114,311	0	0	114,311
Sale of Capital Assets	205,837	0	0	0	205,837
<i>Total Other Financing Receipts (Disbursements)</i>	<u>205,837</u>	<u>114,311</u>	<u>0</u>	<u>0</u>	<u>320,148</u>
<i>Net Change in Fund Cash Balances</i>	630,985	158,838	0	1,219	791,042
<i>Fund Cash Balances, January 1</i>	<u>1,581,990</u>	<u>2,819,473</u>	<u>26,722</u>	<u>216,440</u>	<u>4,644,625</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	\$7,421	\$0	\$0	\$200,000	207,421
Restricted	0	2,896,600	26,722	17,659	2,940,981
Committed	0	81,711	0	0	81,711
Assigned	196,200	0	0	0	196,200
Unassigned (Deficit)	2,009,354	0	0	0	2,009,354
<i>Fund Cash Balances, December 31</i>	<u>\$2,212,975</u>	<u>\$2,978,311</u>	<u>\$26,722</u>	<u>\$217,659</u>	<u>\$5,435,667</u>

See accompanying notes to the financials

VILLAGE OF GEORGETOWN  
BROWN COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Types			Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)		
<b>Operating Cash Receipts</b>						
Charges for Services	\$6,900,902	\$0	\$0			\$6,900,902
Fines, Licenses, and Permits	0	141,379	0			141,379
Earning on Investments (trust fund only)	0	0	52			\$52
<i>Total Operating Cash Receipts</i>	<u>6,900,902</u>	<u>141,379</u>	<u>52</u>			<u>7,042,333</u>
<b>Operating Cash Disbursements</b>						
Personal Services	871,226	0	0			871,226
Employee Fringe Benefits	379,944	0	0			379,944
Contractual Services	3,833,677	0	0			3,833,677
Supplies and Materials	309,817	0	0			309,817
Other	171,323	141,379	8			312,710
<i>Total Operating Cash Disbursements</i>	<u>5,565,987</u>	<u>141,379</u>	<u>8</u>			<u>5,707,374</u>
<i>Operating Income (Loss)</i>	<u>1,334,915</u>	<u>0</u>	<u>44</u>			<u>1,334,959</u>
<b>Non-Operating Receipts (Disbursements)</b>						
Other Debt Proceeds	317,509	0	0			317,509
Sale of Fixed Assets	0	27,908	0			27,908
Miscellaneous Receipts	55,907	0	0			55,907
Capital Outlay	(445,268)	(27,908)	0			(473,176)
Principal Retirement	(421,012)	0	0			(421,012)
Interest and Other Fiscal Charges	(118,190)	0	0			(118,190)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(611,054)</u>	<u>0</u>	<u>0</u>			<u>(611,054)</u>
<i>Income (Loss) before Transfers</i>	<u>723,861</u>	<u>0</u>	<u>44</u>			<u>723,905</u>
Transfer In	86,000	0	0			86,000
Transfer Out	(86,000)	0	0			(86,000)
<i>Net Change in Fund Cash Balances</i>	<u>723,861</u>	<u>0</u>	<u>44</u>			<u>723,905</u>
<i>Fund Cash Balances, January 1</i>	<u>7,906,079</u>	<u>0</u>	<u>7,879</u>			<u>7,913,958</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$8,629,940</u></u>	<u><u>\$0</u></u>	<u><u>\$7,923</u></u>			<u><u>\$8,637,863</u></u>

See accompanying notes to the financials

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1 - Reporting Entity**

The Village of Georgetown, Brown County, (the Village) is a body politic and corporate established to exercise rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer and electric utilities, refuse pickup, cemetery and park operations and police, fire, and emergency medical services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction, Maintenance, and Repair Fund*** – The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing streets within the Village. This fund also accounts for a percentage of monies collected from the municipal income tax for constructing and maintenance of roads, streets and alleys.

***Municipal Income Tax Fund*** – This fund receives income tax receipts allocated for the cost of collection set by the annual appropriations. Municipal income tax distributions are set by Ordinance to the General, Street, Fire, Fire Capital and Park Funds; with any remaining monies in the income tax fund to be used for construction and maintenance of roads, streets and alleys.

***EMS Fund*** – This fund receives fees from ambulance runs for operation and upkeep of the Emergency Medical Services operation.

***Fire Fund*** – This fund receives property tax money and contract money from various townships which the Village Fire Department covers for the operation and upkeep of the Fire Department.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant debt service fund.

***OWDA Fund-*** This fund was derived from a debt service restricted for water/sewer project from a previous fiscal year and carries the remaining balance; but has had no activity.

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

***Robinson Cemetery Trust Fund*** – This fund accounts for a trust agreement under which the earnings may be used for the care of a certain family lot located in 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.

***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 the cost of providing electric service.

***Trash Fund*** – This fund receives charges for services from residents to cover the cost of providing trash collection service.

***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 funds account for programs that are designed to help the poor and to benefit a certain individual per the terms of her will.

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 Community Improvement Corporation. Mayor's Court receives monies from collections of 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. Community Improvement Corporation proceeds from sales of property.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***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. Unencumbered appropriations lapse at year end.

***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 approve estimated resources.

***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 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

***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.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Restricted** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be use.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2018 follows:

<b>2018 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 1,801,750	\$ 1,831,289	\$ 29,539
Special Revenue	1,215,487	1,238,475	22,988
Permanent	4,200	4,158	(42)
Enterprise	8,115,353	7,360,318	(755,035)
Private Purpose Trust	-	52	52
Total	\$ 11,136,790	\$ 10,434,292	\$ (702,498)

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 3 – Budgetary Activity (Continued)**

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,656,760	\$ 1,203,368	\$ 453,392
Special Revenue	1,548,757	1,082,053	466,704
Debt Service	26,722	-	26,722
Permanent	8,200	2,939	5,261
Enterprise	9,027,084	7,243,697	1,783,387
Private Purpose Trust	508	8	500
Total	<u>\$12,268,032</u>	<u>\$ 9,532,065</u>	<u>\$ 2,735,967</u>

**Note 4 – Deposits**

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

	<b>2018</b>
Demand Deposits	\$ 11,743,975
Certificates of Deposit	1,003,508
Other time deposits (savings and NOW accounts)	1,326,047
Total Deposits	<u>\$ 14,073,530</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by the financial institution's public entity deposit pool; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 5 – Taxes**

**Property Taxes**

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Income Taxes**

The Village levies a municipal income tax of one 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.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 5 – Taxes (Continued)**

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.

**Note 6 - Transfers**

During 2018, the following transfers were made from the Water, Sewer and Electric Funds to their corresponding Improvement and Replacement Reserve Funds in accordance with the Village’s ordinance #935, #744, and #822, respectively:

	Transfers - In	Transfers - Out
Water Fund	\$ -	\$ (12,000)
Water I & R	12,000	-
Sewer Fund	-	(26,000)
Sewer I & R	26,000	-
Electric Fund	-	(48,000)
Electric I & R	48,000	-
	\$ 86,000	\$ (86,000)

**Note 7 - Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Beginning with fiscal year 2016, the Village obtained commercial insurance for the below risks through the Public Entities Pool of Ohio:

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<u>2018</u>	
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All full-time and part-time employees that are not a full-time Police Officer, Firefighter, or EMT belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. 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, 2018.

***Ohio Police and Fire Retirement System***

Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

***Social Security***

Volunteer Fire Fighters and Emergency Medical Services Village employees contributed to social Security. Elected Officials choosing to opt out of contributing to OPERS also contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**Note 9 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 10 - Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Water Mortgage Revenue Bonds	\$ 403,118	5.88%
OPWC - CT81M	38,635	0.00%
OPWC - CO070	441,667	0.00%
OWDA #6086	418,167	1.00%
OWDA #6379	126,359	1.50%
OWDA #6384	5,760,797	1.00%
Fire Truck Acquisition Bond	54,465	2.50%
OWDA #7488	98,156	2.51%
OWDA #7661	1,239,542	1.83%
OWDA #7890	79	0.00%
Life Squad Bond	102,601	4.68%
Total	<u>\$ 8,683,586</u>	

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 38 years and are collateralized by future earnings afforded by the system. The bonds will be retired from the Water Fund.

The Ohio Public Works Commission (OPWC) Loan CT81M relates to WWTP High Flow Management Upgrades. The loan is for \$64,390, with zero percent interest. The Village will repay this loan in semiannual installments of \$1,609.74 over 20 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover payment requirements. Payments are made from the Sewer Fund.

The Ohio Public Works Commission (OPWC) loan CO070 relating to the Town Run Pump Station SSO Elimination/WWTP Improvements for \$500,000. The Village will repay the loans in semiannual installments of \$8,333, with zero interest, over 30 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the OPWC loan requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Association (OWDA) Loan #6086 relates to Possum Run Pump Station SSO Elimination. The original loan amount was for \$561,615 with an interest rate of 1.00% and is set to mature on January 1, 2033. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Association (OWDA) Loan #6379 relates to Town Run Pump Station SSO Elimination/WWTP Improvement. Total financed amount is \$144,076. The interest rate on this loan is 1.50% and is set to mature January 1, 2044. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Association (OWDA) Loan #6384 relates to Town Run WWTP Improvement. The original loan amount was for \$7,273,126 with an interest rate of 1.00%, and is set to mature January 1, 2034. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 10 – Debt (Continued)**

In 2015, the Village issued \$210,000 in Fire Truck Acquisition Bonds with an interest rate of 2.50%. The Village issued these bonds to purchase a fire truck for the Fire Department. These bonds are payable over 4 years with annual 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.

The Ohio Water Development Association (OWDA) Loan #7488 relates to the design for water tower. The OWDA has approved financing for \$117,000 with an interest rate of 2.51%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2018, the loan has not been fully drawn down; therefore the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

The Ohio Water Development Association (OWDA) Loan #7661 relates to the design for waterline replacement. The OWDA has approved financing for \$1,513,784 with an interest rate of 1.83%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2018, the loan has not been fully drawn down; therefore the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

The Ohio Water Development Association (OWDA) Loan #7890 relates to the Asset Management Planning and Rate Study for the Water Department. The OWDA has approved financing for \$5,954 and Principle Forgiveness of \$10,000 totaling \$15,954. The interest rate is 0.0%. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of December 31, 2018, the loan has not been fully drawn down; therefore, the future funding requirements for the retirement of this loan have not been included in the amortization schedule below.

In 2018, the Village issued \$114,311 in a Life Squad Bond with an interest rate of 4.675%. The Village issued these bonds to purchase a life squad for the Georgetown Fire-EMS Department. These bonds are payable over 10 years with annual 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 EMS Fund.

Amortization of the Village's debt principal and interest is scheduled as follows:

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 10 – Debt (Continued)**

Year ending December 31:	Water Mortgage Revenue Bonds	OPWC CT81M	OPWC CO070	OWDA #6086	OWDA #6379	OWDA #6384
2019	\$ 47,703	3,219	\$ 16,667	31,052	5,982	402,139
2020	47,692	3,219	16,667	31,052	5,982	402,139
2021	47,799	3,219	16,667	31,052	5,982	402,139
2022	47,811	3,219	16,667	31,052	5,982	402,139
2023	47,829	3,219	16,667	31,052	5,982	402,139
2024-2028	238,515	16,098	83,333	155,262	29,910	2,010,693
2029-2033	96,193	3,440	83,333	139,735	29,910	2,010,693
2034-2038	-	-	83,333	-	29,910	200,069
2039-2043	-	-	83,333	-	29,910	-
2044-2045	-	-	25,000	-	2,991	-
Total	<u>\$ 573,542</u>	<u>\$ 35,635</u>	<u>\$ 441,667</u>	<u>\$450,258</u>	<u>\$ 152,539</u>	<u>\$ 6,232,149</u>

Year ending December 31:	Fire Truck Acquisition Bonds	Life Squad Bond
2019	\$ 55,825	14,229
2020	-	14,229
2021	-	14,229
2022	-	14,229
2023	-	14,229
2024-2028	-	56,916
2029-2033	-	-
2034-2038	-	-
2039-2043	-	-
2044-2045	-	-
Total	<u>\$ 55,825</u>	<u>\$ 128,061</u>

**Note 11 – Construction and Contractual Commitments**

The Village began the designs through Brandstetter Carroll for a water tower project in fiscal year 2016 that could be considered outstanding construction or other contractual commitments as of December 31, 2018. This is related to the Ohio Water Development Association (OWDA) Loan #7488 mentioned in Note 10. No construction commitments for the water tower project are expected to take place until fiscal year 2019 or 2020. All Waterline construction was completed in 2018 that related to OWDA Loan #7472 and #7661.

**VILLAGE OF GEORGETOWN  
BROWN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018  
(Continued)**

**Note 12 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**Note 13 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 14- Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S 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 St.  
Georgetown, Ohio 45121

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Georgetown, Brown County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

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

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 and 2019-002 to be material weaknesses.

### ***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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

October 1, 2020

VILLAGE OF GEORGETOWN  
BROWN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-001

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent as outlined in Governmental Accounting Standards Board (GASB) Statement No. 54 (codified in GASB Cod. 1800).

We identified the following conditions related to the above criteria for 2018:

- Subsequent year appropriations exceeding estimated resources in the amount of \$193,136 were improperly classified as Unassigned fund balance instead of Assigned fund balance.
- Outstanding encumbrances for various Special Revenue funds in the amount of \$2,416 were improperly classified as Assigned fund balance instead of Restricted fund balance.

We identified the following conditions related to the above criteria for 2019:

- Subsequent year appropriations exceeding estimated resources in the amount of \$221,450 were improperly classified as Unassigned fund balance instead of Assigned fund balance.
- Outstanding encumbrances for various Special Revenue funds in the amount of \$395,763 were improperly classified as Assigned fund balance instead of Restricted fund balance.

The financial statements and accounting records have been adjusted for these errors, where applicable.

Failure to accurately post and report transactions could result in material errors in the Village's financial statements and reduces the Village's ability to monitor financial activity and to make sound decisions.

We recommend due care be exercised when posting entries to the financial records and in financial statement preparation. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances, and the Auditor of State's Ohio Village Officer's Handbook for assistance in posting a variety of transactions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**FINDING NUMBER 2019-002**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Village Council to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

We noted the following variances where approved estimated receipts were not properly posted to the ledgers:

<b>2018</b>			
<b>Fund</b>	<b>Estimated Receipts per Final Amended Certificate of Estimated Resources</b>	<b>Estimated Receipts in Accounting System</b>	<b>Variance</b>
General- (1000)	\$1,801,750	\$1,808,350	\$6,600
Parks & Recreation (2041)	\$64,142	\$66,970	\$2,828

<b>2019</b>			
<b>Fund</b>	<b>Estimated Receipts per Final Amended Certificate of Estimated Resources</b>	<b>Estimated Receipts in Accounting System</b>	<b>Variance</b>
General- (1000)	\$1,528,735	\$1,598,465	\$69,730
Parks & Recreation (2041)	\$20,000	\$30,818	\$10,818
Income Tax Fund (2071)	\$51,210	\$52,000	\$790

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources (and amendments thereof) was not properly posted to the accounting system.

The budgetary information presented in the notes to the financial statements was also misstated as a result of the Village using the incorrect amounts from the accounting system.

Failure to accurately post the estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources have been properly posted to the ledgers.

**Officials' Response:**

We did not receive a response from Officials to this finding.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**December 31, 2019 and 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Posting Errors	Not Corrected	Reissued as finding 2019-001

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF GEORGETOWN**

**BROWN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/20/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)