



Dave Yost • Auditor of State



**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Georgetown Exempted Village School District  
Brown County  
1043 Mt. Orab Pike  
Georgetown, Ohio 45121

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Georgetown Exempted Village School District, Brown County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 District'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 District's internal control. Accordingly, we express no 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Georgetown Exempted Village School District, Brown County, Ohio, as of June 30, 2013, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplemental and Other Information*

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position, and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Award Receipts and Expenditures (Schedule) also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

These tables and the Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2014, on our consideration of the District'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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 13, 2014

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**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The discussion and analysis of the Georgetown Exempted Village School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013, within the limitations of cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Highlights**

Key highlights for fiscal year 2013 are as follows:

In total, net position increased \$198,613. The School District was able to increase net position primarily through expenditure reductions aimed at maintaining a financially solvent position without compromising instructional services.

The School District's general receipts, those being primarily property taxes and unrestricted state entitlements were 80 percent of the total cash received during fiscal year 2013, as compared to 85 percent in fiscal year 2012. Proceeds and the premium from refunding bonds issued in fiscal year 2012 were primarily responsible for the higher percentage of general receipts during 2012.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's cash basis of accounting.

The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and the related assets and liabilities. Under the School District's cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion with this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

The statement of net position and the statement of activities provide information about the cash activities of the whole School District.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in a single column. The School District's major funds for fiscal year 2013 were the General and Bond Retirement Funds.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

**Reporting the School District as a Whole**

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2013, within the limitations of cash basis accounting. The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities compares cash disbursements with program receipts for each function or program of the School District's governmental activities. A function is a group of related activities designed to accomplish a major service or regulatory program for which the School District is responsible.

Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the School District's general receipts.

These statements report the School District's cash position and the changes in each position. Factors which contribute to these changes may also include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District activities are presented as governmental activities. All of the School District's programs and services are reported here including instruction, support services, non-instructional services, food services, extracurricular activities, and capital outlay disbursements.

**Reporting the School District's Most Significant Funds**

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General and Bond Retirement Funds.

**Governmental Funds** – Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using the cash basis accounting. The governmental fund financial statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

**The School District as a Whole**

This year's financial statements were prepared on the cash basis utilizing the GASB Statement No. 34 format. Table 1 provides a summary of the School District's net position for fiscal year 2013 compared to fiscal year 2012:

**Table 1  
Net position**

	Governmental Activities	
	2013	2012
Assets:		
Cash and Cash Equivalents	\$2,167,789	\$1,969,176
Total Assets	\$2,167,789	\$1,969,176
Net position:		
Restricted	\$932,250	\$918,537
Unrestricted	1,235,539	1,050,639
Total Net position	\$2,167,789	\$1,969,176

As mentioned previously, total net position increased \$198,613. The primary reasons contributing to the increase in cash balances were as follows:

- Total disbursements (excluding Payments to Refunded Bond Escrow Agent) decreased by \$123,606, while total receipts (excluding Proceeds and Premium on Refunding Bonds Issued) decreased by \$116,406. In fiscal year 2012, net position increased by \$266,666. Expenditure reductions were primarily results of budget cuts in the areas of instructional staff support services and operation of maintenance and plant.
- Program Revenues decreased by \$169,179 over the previous year as a result of operating grants from the Education Jobs Fund received in 2012 which were not available to the district in 2013. Additionally, charges for services declined because fewer students attended the district via open enrollment.
- Containment of overall expenses within available revenues contributed to the overall positive result on the bottom line for the fiscal year.

Table 2 reflects the changes in net position for fiscal year 2013.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

**Table 2  
Change in Net position**

	Governmental Activities 2013	Governmental Activities 2012	Net Increase (Decrease)
<b>RECEIPTS:</b>			
Program Receipts:			
Charges for Service and Sales	\$679,492	\$792,586	(\$113,094)
Operating Grants and Contributions	1,356,077	1,412,162	(56,085)
<b>Total Program Receipts</b>	<b>\$2,035,569</b>	<b>\$2,204,748</b>	<b>(\$169,179)</b>
General Receipts:			
Property Taxes Levied for General Purposes	\$2,000,981	\$1,927,584	\$73,397
Property Taxes Levied for Classroom Facilities	41,464	39,706	1,758
Property Taxes Levied for Debt Service	329,043	323,284	5,759
Property Taxes Levied for Permanent Improvements	132,504	127,046	5,458
Grants and Entitlements not Restricted	5,367,717	5,392,148	(24,431)
Sale of Capital Assets	3,500	14,500	(11,000)
Refunding Bonds Issued	0	3,704,996	(3,704,996)
Premium on Refunding Bonds Issued	0	585,595	(585,595)
Interest	5,698	5,848	(150)
Miscellaneous	80,077	78,095	1,982
<b>Total General Receipts</b>	<b>\$7,960,984</b>	<b>\$12,198,802</b>	<b>(\$4,237,818)</b>
<b>Total Receipts</b>	<b>\$9,996,553</b>	<b>\$14,403,550</b>	<b>(\$4,406,997)</b>
<b>DISBURSEMENTS:</b>			
Instruction:			
Regular	\$4,307,696	\$3,975,004	\$332,692
Special	1,090,924	1,068,380	22,544
Vocational	160,282	177,101	(16,819)
Other	28,079	73,876	(45,797)
Support Services:			
Pupil	390,529	387,966	2,563
Instructional Staff	351,421	814,472	(463,051)
Board of Education	30,482	39,419	(8,937)
Administration	750,625	781,319	(30,694)
Fiscal	284,827	293,417	(8,590)
Business	50,304	47,869	2,435
Operation and Maintenance of Plant	732,725	791,694	(58,969)
Pupil Transportation	490,075	420,789	69,286
Central	64,750	67,484	(2,734)
Operation of Non-Instructional Services	4,853	5,014	(161)
Food Services	467,743	421,518	46,225
Extracurricular Activities	190,664	189,405	1,259
Capital Outlay	420	0	420
Debt Service	401,541	366,819	34,722
Payment to Refunded Bond Escrow Agent	0	4,215,338	(4,215,338)
<b>Total Governmental Activities</b>	<b>\$9,797,940</b>	<b>\$14,136,884</b>	<b>(\$4,338,944)</b>
<b>Increase (Decrease) in Net position</b>	<b>\$198,613</b>	<b>\$266,666</b>	<b>(\$68,053)</b>

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

Program receipts represent 20 percent of total receipts and are primarily represented by restricted intergovernmental receipts, charges for tuition and fees, extracurricular activities, and food service sales. General receipts represent 80 percent of the School District's total receipts, and are comprised of property taxes, unrestricted grants and entitlements, and other miscellaneous. Unrestricted grants and entitlements, which primarily represent State resources for school funding, are 54 percent of the District's total revenues. Property taxes are 25 percent of the District's total revenues. Other miscellaneous receipts represent less than 1% of the District's total revenues and are insignificant and somewhat unpredictable revenue sources.

The major program disbursements for governmental activities are for instruction, which accounts for 57 percent of all governmental disbursements. Support services, which includes pupil, instructional staff, board, administration, fiscal, business, operation and maintenance, pupil transportation, and central, account for 32% of all governmental disbursements.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax receipts and unrestricted state entitlements. Table 3 presents a comparison between the total cost of services and the net cost for both fiscal years 2013 and 2012.

**Table 3  
Governmental Activities**

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Instruction:				
Regular	\$4,307,696	(\$3,816,636)	\$3,975,004	(\$3,450,835)
Special	1,090,924	(562,113)	1,068,380	(502,971)
Vocational	160,282	(90,827)	177,101	(104,661)
Other	28,079	(26,511)	73,876	(68,898)
Support Services:				
Pupil	390,529	(367,972)	387,966	(361,825)
Instructional Staff	351,421	(209,071)	814,472	(586,926)
Board of Education	30,482	(28,780)	39,419	(36,763)
Administration	750,625	(671,728)	781,319	(696,471)
Fiscal	284,827	(269,259)	293,417	(255,352)
Business	50,304	(48,200)	47,869	(45,447)
Plant Operation & Maintenance	732,725	(650,810)	791,694	(705,289)
Pupil Transportation	490,075	(467,391)	420,789	(392,436)
Central	64,750	(57,736)	67,484	(59,580)
Operation of Non- Instructional	4,853	(19)	5,014	74
Food Services	467,743	(6,649)	421,518	13,416
Extracurricular Activities	190,664	(86,708)	189,405	(96,015)
Capital Outlay	420	(420)	0	0
Debt Service	401,541	(401,541)	366,819	(366,819)
Payment to Refunded Bond Escrow Agent	0	0	4,215,338	(4,215,338)
<b>Total Government Activities</b>	<b>\$9,797,940</b>	<b>(\$7,762,371)</b>	<b>\$14,136,884</b>	<b>(\$11,932,136)</b>

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The dependence upon tax receipts and unrestricted state entitlements is apparent as 80 percent of instruction activities are supported through taxes and other general receipts. 99 percent of food services were covered by program receipts for fiscal year 2013. This is primarily due to cafeteria sales, and state and federal subsidies and donated commodities for food service.

**The School District's Funds**

The School District's governmental funds are accounted for using the cash basis of accounting. Total governmental funds had receipts of \$9,959,398 (excluding other financing sources), and disbursements of \$9,797,940 (excluding other financing uses). The General Fund experienced an increase in fund balance of \$185,919 as a result of an increase in Property Tax Revenues as well as expenditure reductions from the prior year. The Bond Retirement Fund experienced an increase in fund balance of \$9,869, as revenues for the classroom facilities levy exceeded debt service requirements. Other Governmental Funds increased by \$2,825.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During fiscal year 2013, the School District amended its General Fund budget as needed. Final budgeted receipts totaled \$7,703,410 (including other financing sources). Actual receipts varied from the final budget by 2 percent.

Final disbursements were budgeted at \$8,000,572 (including other financing uses) while actual disbursements were \$7,774,973. The School District was able to keep spending very close to budgeted amounts as demonstrated by the minor changes which occurred.

**Debt Administration**

At June 30, 2013, the School District's outstanding debt totaled \$4,293,513. For further information regarding the School District's debt, refer to Note 10 to the basic financial statements.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

**Current Issues**

The School District, like most governmental entities, is faced with budget challenges during the current economic downturn. The School District relies heavily on State revenues as well as local property tax revenues to fund its operations. Budget cuts at the state level over the last few years have impacted the State's funding of schools, necessitating budget reductions at the local level. Tax revenues have stabilized as delinquencies have decreased. However, property tax values declined slightly as a result of the tax revaluation conducted in calendar year 2012 for Brown County.

For fiscal year 2013, the State funded schools utilizing a bridge formula that allocates state foundation funding to school districts based on a district's reliance on state support for education as measured by its property valuation per pupil and the number of students who reside within a district. For fiscal years 2014 and 2015, funding will be based on the recently-adopted biennial budget for those fiscal years. Preliminary estimates from the State indicate slight funding increases over the next couple of years, however, some of the increases are restricted and can only be spent for certain types of programs.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Eric Toole, Treasurer of Georgetown Exempted Village School District, 1043 Mt. Orab Pike, Georgetown, Ohio 45121.

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**Georgetown Exempted Village School District**

*Statement of Net Position - Cash Basis*

*June 30, 2013*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,165,498
Restricted Cash	<u>2,291</u>
<i>Total Assets</i>	<u><u>\$2,167,789</u></u>
<b>Net Position</b>	
Restricted for:	
Unclaimed Monies	\$2,291
Other Purposes	929,959
Unrestricted	<u>1,235,539</u>
<i>Total Net Position</i>	<u><u>\$2,167,789</u></u>

See accompanying notes to the basic financial statements

**Georgetown Exempted Village School District**

*Statement of Activities - Cash Basis*

*For the Fiscal Year Ended June 30, 2013*

	Program Cash Receipts			Net (Expense)/ Revenue and Change in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$4,307,696	\$222,765	\$268,295	(\$3,816,636)
Special	1,090,924	34,017	494,794	(562,113)
Vocational	160,282	8,948	60,507	(90,827)
Other	28,079	1,568	-	(26,511)
Support Services:				
Pupil	390,529	21,760	797	(367,972)
Instructional Staff	351,421	12,882	129,468	(209,071)
Board of Education	30,482	1,702	-	(28,780)
Administration	750,625	40,231	38,666	(671,728)
Fiscal	284,827	15,568	-	(269,259)
Business	50,304	2,104	-	(48,200)
Operation and Maintenance of Plant	732,725	42,594	39,321	(650,810)
Pupil Transportation	490,075	22,684	-	(467,391)
Central	64,750	3,414	3,600	(57,736)
Operation of Non-Instructional Services	4,853	0	4,834	(19)
Operation of Food Services	467,743	145,299	315,795	(6,649)
Extracurricular Activities	190,664	103,956	-	(86,708)
Capital Outlay	420	0	-	(420)
Debt Service	401,541	0	-	(401,541)
<b>Total</b>	<b>\$9,797,940</b>	<b>\$679,492</b>	<b>\$1,356,077</b>	<b>(7,762,371)</b>

**General Receipts**

Property Taxes Levied for:

General Purposes	2,000,981
Classroom Facilities	41,464
Debt Service	329,043
Permanent Improvements	132,504

Grants and Entitlements not Restricted

to Specific Programs	5,367,717
Sale of Capital Assets	3,500
Interest	5,698
Miscellaneous	80,077

*Total General Receipts* 7,960,984

Change in Net Position 198,613

*Net Position Beginning of Year* 1,969,176

*Net Position End of Year* \$2,167,789

**Georgetown Exempted Village School District**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*June 30, 2013*

	General	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,235,539	\$343,638	\$586,321	\$2,165,498
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	2,291			2,291
<i>Total Assets</i>	<u>\$1,237,830</u>	<u>\$343,638</u>	<u>\$586,321</u>	<u>\$2,167,789</u>
<b>Fund Balances</b>				
Nonspendable	\$2,291	\$0	\$0	\$2,291
Restricted		343,638	586,321	929,959
Committed	82,732			82,732
Assigned	37,020			37,020
Unassigned (Deficit)	1,115,787			1,115,787
<i>Total Fund Balances</i>	<u>\$1,237,830</u>	<u>\$343,638</u>	<u>\$586,321</u>	<u>\$2,167,789</u>

See accompanying notes to the basic financial statements

**Georgetown Exempted Village School District**  
*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2013*

	General	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Income Tax	\$0		\$0	\$0
Property Taxes	\$2,000,981	\$329,043	\$173,968	\$2,503,992
Intergovernmental	5,370,968	47,133	1,305,693	6,723,794
Interest	5,538	0	160	5,698
Tuition and Fees	429,838	0	0	429,838
Extracurricular Activities	0	0	98,043	98,043
Charges for Services	0	0	151,612	151,612
Miscellaneous	37,923	0	8,498	46,421
<i>Total Receipts</i>	<u>7,845,248</u>	<u>376,176</u>	<u>1,737,974</u>	<u>9,959,398</u>
<b>Disbursements</b>				
Current:				
Instruction:				
Regular	3,990,196	0	317,500	4,307,696
Special	609,321	0	481,603	1,090,924
Vocational	160,282	0	0	160,282
Other	28,079	0	0	28,079
Support Services:				
Pupil	389,768	0	761	390,529
Instructional Staff	230,747	0	120,674	351,421
Board of Education	30,482	0	0	30,482
Administration	720,625	0	30,000	750,625
Fiscal	278,856	0	5,971	284,827
Business	37,684	12,620	0	50,304
Operation and Maintenance of Plant	649,885	0	82,840	732,725
Pupil Transportation	406,319	0	83,756	490,075
Central	61,150	0	3,600	64,750
Operation of Non-Instructional Services	0	0	4,853	4,853
Operation of Food Services	0	0	467,743	467,743
Extracurricular Activities	105,919	0	84,745	190,664
Capital Outlay	0	0	420	420
Intergovernmental				0
Debt Service:				
Principal Retirement	0	260,000	25,000	285,000
Interest and Fiscal Charges	0	93,687	22,854	116,541
<i>Total Disbursements</i>	<u>7,699,313</u>	<u>366,307</u>	<u>1,732,320</u>	<u>9,797,940</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>145,935</u>	<u>9,869</u>	<u>5,654</u>	<u>161,458</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,500			3,500
Advances In	8,642	0	0	8,642
Advances Out	0	0	(8,642)	(8,642)
Other Financing Sources	28,067	0	8,400	36,467
Other Financing Uses	(225)	0	(2,587)	(2,812)
<i>Total Other Financing Sources (Uses)</i>	<u>39,984</u>	<u>0</u>	<u>(2,829)</u>	<u>37,155</u>
<i>Net Change in Fund Balances</i>	185,919	9,869	2,825	198,613
<i>Fund Balances Beginning of Year</i>	<u>1,051,911</u>	<u>333,769</u>	<u>583,496</u>	<u>1,969,176</u>
<i>Fund Balances End of Year</i>	<u>\$1,237,830</u>	<u>\$343,638</u>	<u>\$586,321</u>	<u>\$2,167,789</u>

See accompanying notes to the basic financial statements

**Georgetown Exempted Village School District**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Fiscal Year Ended June 30, 2013*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$1,903,249	\$1,903,249	\$2,000,981	\$97,732
Intergovernmental	5,393,824	5,329,919	5,370,968	41,049
Interest	7,140	5,000	5,538	538
Tuition and Fees	527,625	425,100	429,838	4,738
Rentals	500	500	526	26
Miscellaneous	10,000	7,000	19,059	12,059
<i>Total receipts</i>	<u>7,842,338</u>	<u>7,670,768</u>	<u>7,826,910</u>	<u>156,142</u>
<b>Disbursements</b>				
Current:				
Instruction:				
Regular	3,740,733	3,986,355	3,971,604	14,751
Special	539,922	600,922	609,948	(9,026)
Vocational	143,874	160,874	160,542	332
Other	30,000	30,000	28,079	1,921
Support Services:				
Pupil	431,777	418,527	373,220	45,307
Instructional Staff	543,442	292,442	231,555	60,887
Board of Education	36,107	39,607	30,997	8,610
Administration	742,741	740,837	721,747	19,090
Fiscal	267,204	267,204	279,193	(11,989)
Business	33,300	33,300	37,684	(4,384)
Operation and Maintenance of Plant	742,607	742,607	669,175	73,432
Pupil Transportation	439,344	439,344	407,887	31,457
Central	67,000	67,000	63,180	3,820
Extracurricular Activities	97,553	97,553	106,162	(8,609)
<i>Total Disbursements</i>	<u>7,855,604</u>	<u>7,916,572</u>	<u>7,690,973</u>	<u>225,599</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(13,266)</u>	<u>(245,804)</u>	<u>135,937</u>	<u>381,741</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets			3,500	3,500
Transfers Out	(84,000)	(84,000)	(84,000)	0
Advances In	8,642	8,642	8,642	0
Other Financing Sources	24,000	24,000	26,820	2,820
Other Financing Uses				0
<i>Total Other Financing Sources (Uses)</i>	<u>(51,358)</u>	<u>(51,358)</u>	<u>(45,038)</u>	<u>6,320</u>
<i>Net Change in Fund Balance</i>	(64,624)	(297,162)	90,899	388,061
<i>Fund Balance Beginning of Year</i>	952,478	952,478	952,478	0
Prior Year Encumbrances Appropriated	57,885	57,885	57,885	0
<i>Fund Balance End of Year</i>	<u>\$945,739</u>	<u>\$713,201</u>	<u>\$1,101,262</u>	<u>\$388,061</u>

**Georgetown Exempted Village School District**

*Statement of Fiduciary Net Position - Cash Basis*

*Fiduciary Funds*

*June 30, 2013*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$1,600,714	\$48,144
<i>Total Assets</i>	<u>\$1,600,714</u>	<u>\$48,144</u>
<b>Net Position</b>		
Held in Trust for Scholarships	\$1,600,714	
Held for Student Activities		\$48,144
Total Net Position	<u>\$1,600,714</u>	<u>\$48,144</u>

See accompanying notes to the basic financial statements

**Georgetown Exempted Village School District**  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2013*

	Private Purpose Trust
<b>Additions</b>	
Contributions	\$5,006
Interest	3,759
<i>Total Additions</i>	8,765
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	16,054
<i>Total Deductions</i>	16,054
Change in Net Position	(7,289)
Net Position - Beginning of Year	1,608,003
Net Position - End of Year	\$1,600,714

See accompanying notes to the basic financial statements

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**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Georgetown Exempted Village School District, Brown County, Ohio (the "School District"), is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and federal guidelines.

The School District was established in 1968 through the consolidation of existing land areas and school districts. The School District serves an area of 60 square miles. It is located in Brown County and includes all of the Village of Georgetown, and portions of surrounding townships. The Board of Education controls the School District's two school buildings staffed by 40 non-certificated and 68 teaching personnel and administrative employees providing education to 1,050 students.

*Reporting Entity:*

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Georgetown Exempted Village School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. The School District is also financially accountable for any organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the School District, are accessible to the School District and are significant in amount to the School District. The School District has no component units.

The School District is associated with three organizations, one as a jointly-governed organization, one as an insurance purchasing pool, and one as a public entity shared risk and insurance purchasing pool. These organizations are the South Central Ohio Computer Association, the Ohio School Boards' Association Workers' Compensation Group Rating Program and the Brown County Schools Benefits Consortium. These organizations are presented in Notes 13, 14, and 15 to the basic financial statements.

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

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.A, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the School District's accounting policies.

**A. Basis of Accounting**

Although required by Ohio Administrative Code Sections 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**B. Basis of Presentation**

The School District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end.

The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

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

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash basis or draws from the School District's general receipts.

**2. Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**C. Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

**1. Governmental Funds**

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The School District's major funds are as follows:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Bond Retirement Fund** – The Bond Retirement Fund is a fund provided for the retirement of general obligation bonds and short term notes. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds, shall be paid into this fund.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

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

**2. Fiduciary Funds**

The fiduciary fund category is split into private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature. The School District's agency fund accounts for various student-managed activities.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. Encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Cash and Investments**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2013, the School District's investments were limited to repurchase agreements, money market funds, and funds invested in the State Treasury Assets Reserve of Ohio (STAR Ohio). Investments are reported at cost, except for STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2013. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2013 was \$5,538, which included \$2,304 assigned from other School District funds.

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements, bus purchases, and unclaimed monies.

**G. Inventory and Prepaid Items**

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Interfund Receivables/Payables**

The School District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

**M. Net position**

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes. All other net position that do not meet the definition of restricted are reported as unrestricted net position. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as 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*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

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

fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

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

The School District 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.

**O. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**P. Intergovernmental Revenues**

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receipts when the entitlement is received.

**Q. Receipts and Expenditures**

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the School District's taxpayers are reported as program receipts. The School District has the following program receipts: charges for services and operating grants and contributions. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**3. COMPLIANCE**

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

**4. BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of cash, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major difference between the budget basis and the cash basis is that encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (cash basis). Additionally, the budget basis reflects activity for the General Fund only as identified in the legally adopted budget. Fund activity for separate funds in the school district budget but which are reclassified to the General Fund as a result of GASB 54 are reported in the cash basis financial statements but not in the budget basis financials.

Reconciliation of June 30, 2013 Fund Balance			
Cash Basis		\$ 1,237,830	
Encumbrances		\$ (36,895)	
GASB 54 Reclassifications		\$ (99,673)	
Budget Basis		\$ 1,101,262	

**5. DEPOSITS AND INVESTMENTS**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:



**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$344,642 of the School District's bank balance of \$2,742,031 was exposed to custodial credit risk because it was uninsured and was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

As of June 30, 2013, the School District had the following investments and maturities:

	Carrying/Fair Value	Maturities 6 Months or Less
STAR Ohio	\$483,650	\$483,650
Repurchase Agreements	\$586,751	\$586,751
Fed. Govt. Money Market	4,215	4,215
Total Investments	<u>\$1,074,616</u>	<u>\$1,074,616</u>

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's investment policy addresses interest rate risk by requiring that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAm by Standard and Poors. The repurchase agreements carry a rating of AAAm by Standard and Poors. The money market funds carry a rating of AAAm by Standard and Poors. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District's investment policy does not address investment credit risk beyond the requirements of ORC 135.14(M)(2) which states, "Payments for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from custodian by the treasurer, governing board, or qualified trustee."

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk is the risk of loss attributed to the magnitude of the School District's investment in a single issuer. The District has invested 45% of its investments in STAR Ohio, 54% in repurchase agreements, and 1% in federal government money market funds.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**6. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax receipts received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in calendar year 2013 represent the collection of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2013 (other than public utility property) represent the collection of calendar year 2013 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2013 were levied after October 1, 2012, on the value as of December 31, 2012. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**6. PROPERTY TAXES (Continued)**

The assessed values upon which fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Property	\$105,298,070	96.12%	\$103,703,120	95.88%
Public Utility Property	4,251,220	3.88	4,461,580	4.12
Tangible Personal Property	0	0.00	0	0.00
Total Assessed Value	<u>\$109,549,290</u>	<u>100.00%</u>	<u>\$108,164,700</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$30.40		\$30.40	

**7. RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with the Ohio Casualty Insurance Company for the following insurance coverage:

Building and Contents - Replacement Cost	\$33,443,613
Automobile Liability	\$1,000,000
Commercial Umbrella	\$2,000,000
General Liability	
Per Occurrence	\$1,000,000
Aggregate	\$2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

**B. Workers' Compensation**

For fiscal year 2013, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP is intended to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating members is calculated as one experience and a common premium rate is applied to all members in the GRP. Each member pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

criteria. The firm of Comp Management provides administrative, cost control, and actuarial services to the GRP.

**C. Employee Medical Benefits**

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (See Note 14), consisting of nine districts. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member shall assume and be responsible for the payment of any delinquent contributions and all claims of its employees from the date of termination regardless of the date such claims were incurred.

**8. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, OH 43215-3746, or by calling toll-free (800)878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The Retirement Board acting with the advice of the actuary, allocated the current employer contribution rate among the four funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70%. The remaining 1.30% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the years ended June 30, 2013, 2012, and 2011, were \$188,518, \$198,624, and \$203,260, respectively, which equaled the required contributions each year.

**B. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the CD Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Defined Benefit Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased service credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years, and so on) until 100% of final average salary is reached. For member with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

Defined Contribution Plan benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan benefits are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of employment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program include hospitalization, physician's fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who become disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for the School District. The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2012, and 2011 were \$505,648, \$525,305, and \$568,905, respectively.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's financial report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH, 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2013, two of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**9. POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

**1. Medicare Part B Plan**

The Medicare B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation is .75%. The School District's contributions for the years ended June 30, 2013, 2012, and 2011, were \$10,099, \$10,782, and \$11,035, respectively, which equaled the required contributions each year.

**2. Health Care Plan**

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2012, the health care allocation is 0.55%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for the years ended June 30, 2013, 2012, and 2011 were \$36,830, \$40,839, and \$28,464, respectively.



**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**9. POSTEMPLOYMENT BENEFITS (Continued)**

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**B. State Teachers Retirement System**

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program include hospitalization, physician's fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2013, 2012, and 2011. For the School District, this amount equaled \$36,117, \$37,525, and \$40,636, for those respective years.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's financial report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH, 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**10. DEBT**

**A. Debt Obligations**

Debt obligations of the School District at June 30, 2013, consisted of the following:

	Principal Outstanding 6/30/2012	Additions	Deductions	Principal Outstanding 6/30/2013	Due in One Year
Classroom Facilities Bonds - 2004 5.13%	\$420,128	\$0	\$146,611	\$273,517	\$140,054
Classroom Facilities Refunding Bonds - 2012 2.88%	3,704,996		110,000	3,594,996	65,000
Certificate of Participation - 2007 4.92%	346,000		18,000	328,000	0
Certificate of Participation - 2006 4.92%	104,000		7,000	97,000	7,000
<b>Total Debt Obligations</b>	<b>\$4,575,124</b>	<b>\$0</b>	<b>\$281,611</b>	<b>\$4,293,513</b>	<b>\$212,054</b>

**Classroom Facilities Bonds - 2004**

On May 26, 2004, the School District issued \$4,887,998 in unvoted general obligation bonds for the purpose of construction of a new elementary school to house grades preschool through 6, and renovations and additions to Georgetown Jr-Sr High School that houses grades 7 through 12. The bonds were issued for a 27 year period with final maturity date of December 1, 2031. These bonds were partially refunded by the issuance of Classroom Facilities Refunding Bonds in 2012 (see below). The remaining outstanding balance of \$273,517 represents bonds maturing prior to the call date in 2015 and will be repaid from the Bond Retirement Fund.

**Classroom Facilities Refunding Bonds - 2012**

On May 22, 2012, the School District issued \$3,704,996 in classroom facilities refunding bonds (voted general obligation bonds) for the purpose of advance-refunding the Series 2004 Classroom Facilities Bonds. The bond issue included serial, term, and capital appreciation bonds, in the amount of \$2,350,000, \$1,110,000, and \$244,996, respectively. The bonds were issued at a premium of \$585,595. The bonds are being retired from the Bond Retirement debt service fund from a voted tax levy.

The term bonds maturing on December 1, 2029 and December 31, 2031, are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, on December 1 in the years and respective principal amounts as follows:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**10. DEBT (Continued)**

Year	Amount
2029	\$535,000
2031	\$575,000

The serial bonds maturing after December 1, 2022, are subject to optional redemption, in whole or in part on any interest payment date, in integral multiples of \$5,000, at the option of the School District on or after June 1, 2022, at the redemption prices of 100% plus accrued interest to the redemption date.

The capital appreciation bonds will mature in fiscal years 2019-2022 and are not subject to redemption prior to maturity. The maturity amount of the bonds is \$235,000, \$225,000, \$245,000, and \$235,000, respectively in fiscal years 2019-2022.

**Certificates of Participation**

During fiscal year 2007, the School District entered into a Certificate of Participation Obligation totaling \$435,000. The purpose was for obtaining supplemental financing for the acquisition and construction of school improvements including a new elementary school. The School District is leasing the project from the Columbus Regional Port Authority. The Authority will retain title to the project during the certificate term. The certificate will mature in July of 2026.

During fiscal year 2006, the School District entered into a Certificate of Participation Obligation totaling \$257,000. The purpose was for obtaining supplemental financing for the acquisition and construction of school improvements including a new elementary school. The School District is leasing the project from the Columbus Regional Port Authority. The Authority will retain title to the project during the certificate term. The certificate will mature in January of 2026.

**B. Future Debt Requirements**

The annual requirements to amortize all debt outstanding as of June 30, 2013 are as follows:

Fiscal Year Ending	Classroom Facilities Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2014	205,054	99,571	304,625	\$7,000	\$10,129	\$17,129
2015	203,463	104,812	308,275	26,000	19,490	45,490
2016	220,000	85,925	305,925	26,000	18,256	44,256
2017	215,000	82,663	297,663	27,000	16,998	43,998
2018	235,000	78,700	313,700	28,000	15,692	43,692
2019-2023	469,996	1,073,379	1,543,375	167,000	56,050	223,050
2024-2028	1,210,000	259,500	1,469,500	144,000	13,861	157,861
2029-2032	1,110,000	68,100	1,178,100			
	<u>\$3,868,513</u>	<u>\$1,852,650</u>	<u>\$5,721,163</u>	<u>\$425,000</u>	<u>\$150,476</u>	<u>\$575,476</u>

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**10. DEBT (Continued)**

The School District has defeased a portion of the Series 2004 Classroom Facilities Bonds by placing cash with a trustee in an amount sufficient to pay all debt principal and interest when they come due. The principal amount of the defeased debt outstanding at June 30, 2013, was \$3,957,546. The cash and investments held by the trustee are not included in the School District's assets nor are the outstanding bonds included above.

**11. SET ASIDE REQUIREMENTS**

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years. The following cash basis information identifies the changes in fund balance reserves for capital improvements during fiscal year 2013.

	Capital Improvements
Set-Aside Cash Balance, June 30, 2012	\$0
Current Year Set-Aside Requirement	175,812
Prior Year Carryover	(248,498)
Current Year Offsets	(226,018)
Qualifying Disbursements	(9,248)
Set-Aside Cash Balance Carried Forward to Future Years where allowable	(\$307,952)
Set-Aside Reserve Balance, June 30, 2013	\$0

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. These extra amounts may be carried forward to reduce the set-aside requirements of future years.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**12. FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Bond Retirement	Governmental Funds	Total
<b>Nonspendable</b>				
Unclaimed Monies	\$2,291			\$2,291
<i>Total Nonspendable</i>	<u>2,291</u>	<u>0</u>	<u>0</u>	<u>2,291</u>
<b>Restricted for</b>				
Debt Service		343,638		343,638
Permanent Improvements			86,872	86,872
Food Service Operation			87,270	87,270
Classroom Facilities Maintenance			155,325	155,325
District-Managed Activity			64,979	64,979
Miscellaneous Grants			29,085	29,085
Capital Projects			162,790	162,790
<i>Total Restricted</i>	<u>0</u>	<u>343,638</u>	<u>586,321</u>	<u>929,959</u>
<b>Committed to</b>				
Termination Benefits	82,732			82,732
<i>Total Committed</i>	<u>82,732</u>	<u>0</u>	<u>0</u>	<u>82,732</u>
<b>Assigned to</b>				
Other Purposes	37,020			37,020
<b>Unassigned (Deficit)</b>				
	1,115,787			1,115,787
<i>Total Fund Balances</i>	<u>\$1,237,830</u>	<u>\$343,638</u>	<u>\$586,321</u>	<u>\$2,167,789</u>

**13. JOINTLY GOVERNED ORGANIZATION**

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each of the eight participating counties, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$59,431 for services provided during the year. Financial information can be obtained from the fiscal agent, the Pike County Joint Vocational School, P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio, 45661.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**14. INSURANCE PURCHASING POOL**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the Plan) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool. The Plan's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as the coordinator of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**15. PUBLIC ENTITY SHARED RISK POOL/INSURANCE PURCHASING POOL**

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees

Six Brown County school districts (Eastern Brown, Fayetteville-Perry, Georgetown, Ripley-Union-Lewis-Huntington, Southern Hills Career and Technical Center, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg-Clay) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the consortium are to formulate and administer a program of health and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with United Healthcare to provide medical insurance directly to consortium member employees. The School District pays premiums to the consortium based on employee membership. For dental coverage, the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future claims. If the member district's dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with administering the Consortium. To obtain financial information, write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio, 45121.

**16. CONTINGENCIES**

Amounts grantor agencies pay to the School District are subject to audit and adjustment by the grantor, principally, the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**17. CHANGES IN ACCOUNTING PRINCIPLE**

For fiscal year 2013, the School District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2013, the School District implemented GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict or contradict GASB pronouncements.

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**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program		10.555	\$0	\$34,454	\$0	\$34,454
Cash Assistance:						
National School Breakfast Program	05PU	10.553	96,982		96,982	
National School Lunch Program	LLP4	10.555	221,450		221,450	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>\$318,432</u>	<u>\$34,454</u>	<u>\$318,432</u>	<u>\$34,454</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Education Agencies	C1S1	84.010	\$275,366		\$276,438	
Special Education Grants to States	6BSF	84.027	208,395		210,478	
Improving Teacher Quality State Grants	TRS1	84.367	44,989		46,449	
Education Jobs Fund		84.410	48,778		49,039	
ARRA - Race to the Top Incentive Grants		84.395	160,095		152,863	
ARRA - Teacher Incentive Fund		84.385	130,321		121,376	
Teacher Incentive Fund		84.374	47,988		43,931	
Total U.S. Department of Education			<u>\$915,932</u>	<u>\$0</u>	<u>\$900,574</u>	<u>\$0</u>
<b>Totals</b>			<b><u>\$1,234,364</u></b>	<b><u>\$34,454</u></b>	<b><u>\$1,219,006</u></b>	<b><u>\$34,454</u></b>

See Accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Georgetown Exempted Village School District (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Government assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE D – TRANSFERS**

The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30<sup>th</sup> and spent by September 30<sup>th</sup>). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2013 the Ohio Department of Education (ODE) authorized the following transfers:

<u>CFDA</u> <u>Number</u>	<u>Program Title</u>	<u>Grant Year</u>	<u>Transfers</u> <u>Out</u>	<u>Transfers</u> <u>In</u>
84.395	ARRA – Race to the Top	2012	4,682	
84.395	ARRA - Race to the Top	2013		4,682
84.027	Special Education Grants to States	2012	4,790	
84.027	Special Education Grants to States	2013		4,790
84.010	Title I Grants to Local Education Agencies	2012	8,229	
84.010	Title I Grants to Local Education Agencies	2013		8,229
84.367	Improving Teacher Quality State Grants	2012	1,138	
84.367	Improving Teacher Quality State Grants	2013		1,138
<b>Totals</b>			<b><u>\$ 18,839</u></b>	<b><u>\$ 18,839</u></b>



# Dave Yost • Auditor of State

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

Georgetown Exempted Village School District  
Brown County  
1043 Mt. Orab Pike  
Georgetown, Ohio 45121

To the Board of Education:

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 governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 13, 2014, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

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

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District'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 Government'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

***Entity's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

February 13, 2014



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Georgetown Exempted Village School District  
Brown County  
1043 Mt. Orab Pike  
Georgetown, Ohio 45121

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Georgetown Exempted Village School District's, Brown County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

February 13, 2014

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA 84.010 Title 1 CFDA 84.395 Race to the Top
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2013-001**

**Noncompliance**

**Annual Financial Report**

**Ohio Rev. Code, Section 117.38**, provides, in part, that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of the Ohio Revised Code Section 117.38.

**Ohio Admin. Code, Section 117-2-03(B)**, requires the District to prepare its annual financial report with accounting principles generally accepted in the United States of America. However, the District prepared its financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This presentation differs from accounting principles generally accepted in the United States of America (GAAP).

The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while presumably material, cannot be reasonably determined at this time. Pursuant to Ohio Revised Code Section 117.38 the School District may be fined for its failure to file the required financial report.

We recommend the District prepare its financial statements in accordance with generally accepted accounting principles.

**Officials’ Response:**

School District officials made the decision to prepare and present the financial statements using the OCBOA format as a means of saving time and money for the District.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None**



**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT  
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2013**

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>
2012-001	Ohio Revised Code 117.38 and Ohio Admin Code 117-2-03(B) – The District did not file report in accordance with accounting principles generally accepted in the United States of America	No	Not Corrected – Repeated in FY12 audit as finding Number 2013-001

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURE

Georgetown Exempted Village Local School District  
Brown County  
1043 Mt. Orab Pike  
Georgetown, Ohio 45121

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Georgetown Exempted Village Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on June 13, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 13, 2014

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# Dave Yost • Auditor of State

**GEORGETOWN EXEMPTED VILLAGE SCHOOL DISTRICT**

**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  
MARCH 4, 2014**