



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF GREENWICH
HURON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2019	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019	6
Notes to the Financial Statements - For the Year Ended December 31, 2019	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2018	15
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018	16
Notes to the Financial Statements - For the Year Ended December 31, 2018	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Schedule of Findings.....	27
Summary Schedule of Prior Audit Findings (Prepared by Management)	30

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Greenwich
Huron County
45 Main Street
Greenwich, Ohio 44837

To the Village Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matters

As discussed in Note 13 to the financial statements, during 2019, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

November 16, 2020

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Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$149,344	\$49,127		\$198,471
Municipal Income Tax	176,353	58,785		235,138
Intergovernmental	78,700	81,573	\$152,285	312,558
Special Assessments	250	350		600
Charges for Services		2,290		2,290
Fines, Licenses and Permits	89,856	118		89,974
Earnings on Investments	9,383	445		9,828
Miscellaneous	18,779	2,498		21,277
<i>Total Cash Receipts</i>	<u>522,665</u>	<u>195,186</u>	<u>152,285</u>	<u>870,136</u>
Cash Disbursements				
Current:				
Security of Persons and Property	376,109	350		376,459
Public Health Services	885	14,468		15,353
Leisure Time Activities	882	14,467		15,349
Transportation		83,187		83,187
General Government	138,972	7,879		146,851
Capital Outlay		144,721	236,533	381,254
Debt Service:				
Principal Retirement		6,656		6,656
<i>Total Cash Disbursements</i>	<u>516,848</u>	<u>271,728</u>	<u>236,533</u>	<u>1,025,109</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,817</u>	<u>(76,542)</u>	<u>(84,248)</u>	<u>(154,973)</u>
Other Financing Receipts (Disbursements)				
Loans Issued		5,344	84,248	89,592
Other Financing Uses	(10,211)			(10,211)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(10,211)</u>	<u>5,344</u>	<u>\$84,248</u>	<u>79,381</u>
<i>Net Change in Fund Cash Balances</i>	(4,394)	(71,198)		(75,592)
<i>Fund Cash Balances, January 1</i>	<u>383,140</u>	<u>405,907</u>		<u>789,047</u>
Fund Cash Balances, December 31				
Restricted		334,709		334,709
Assigned	328,382			328,382
Unassigned	50,364			50,364
<i>Fund Cash Balances, December 31</i>	<u>\$378,746</u>	<u>\$334,709</u>		<u>\$713,455</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
**Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Regulatory Cash Basis)**
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Custodial	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$2,344,792		\$2,344,792
Miscellaneous	18,248		18,248
<i>Total Operating Cash Receipts</i>	<u>2,363,040</u>		<u>2,363,040</u>
Operating Cash Disbursements			
Personal Services	235,155		235,155
Employee Fringe Benefits	121,547		121,547
Contractual Services	1,598,302		1,598,302
Supplies and Materials	204,859		204,859
<i>Total Operating Cash Disbursements</i>	<u>2,159,863</u>		<u>2,159,863</u>
<i>Operating Income</i>	<u>203,177</u>		<u>203,177</u>
Non-Operating Receipts (Disbursements)			
Property and Other Local Taxes	893		893
Intergovernmental	4,395		4,395
Loans Issued	136,630		136,630
Miscellaneous Receipts	314		314
Capital Outlay	(191,805)		(191,805)
Principal Retirement	(78,606)		(78,606)
Interest and Other Fiscal Charges	(1,760)		(1,760)
Other Financing Uses	(37,346)		(37,346)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(167,285)</u>		<u>(167,285)</u>
<i>Net Change in Fund Cash Balances</i>	35,892		35,892
<i>Fund Cash Balances, January 1</i>	<u>2,193,771</u>	<u>\$2,368</u>	<u>2,196,139</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,229,663</u>	<u>\$2,368</u>	<u>\$2,232,031</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Greenwich, Huron County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street construction, repair, and maintenance, cemetery maintenance, water, sewer, and electric utilities, park operations, and police services.

Public Entity Risk Pool and Jointly Governed Organizations

The Village participates in a public entity risk pool and two jointly governed organizations. Notes 6 and 10 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Street Construction Maintenance and Repair The Street Construction Maintenance and Repair Fund accounts for and reports that portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Capital Project Funds These funds account for and report financial resources that are restricted to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Projects Fund The Village received a grant and loan from the state for capital improvements. These monies are restricted for capital improvements.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Electric Operating Fund The Electric Operating Fund receives charges for services from residents and outside users to cover the cost of providing this utility.

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

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for monies received from insurance companies and subsequently disbursed to property owners net of any costs incurred to repair, remove, or secure the building or other structure and library levy proceeds collected on behalf of and remitted to Huron County Community Library.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

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

A summary of 2019 budgetary activity appears in Note 3.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

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

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

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

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

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

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

Note 3 - Budgetary Activity

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$525,712	\$522,665	(\$3,047)
Special Revenue	512,196	200,530	(311,666)
Capital Projects		236,533	236,533
Enterprise	2,108,773	2,505,272	396,499
Total	\$3,146,681	\$3,465,000	\$318,319

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$847,897	\$528,608	\$319,289
Special Revenue	832,481	271,812	560,669
Capital Projects	236,533	236,533	
Enterprise	4,226,882	2,469,701	1,757,181
Total	\$6,143,793	\$3,506,654	\$2,637,139

Note 4 - Deposits

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

	2019
Demand deposits	\$75,793
Certificates of deposit	631,867
Other time deposits (savings accounts)	2,237,826
Total deposits	\$2,945,486

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 - Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 - Risk Management

Risk Pool Membership

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

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

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

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent, of their gross salaries and the Village contributed an amount equaling 14 percent, of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Ohio Police and Fire Retirement System

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

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

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - Postemployment Benefits

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

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

Note 9 - Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$548,289	0 - 3.49%
Ohio Public Works Commission Loans	439,965	0%
Total	\$988,254	

The Ohio Water Development Authority (OWDA) loans relate to water supply improvements, a sewer separation project, sewer improvements, a combined sewer evaluation study, and an asset management plan. The loans will be repaid in semiannual installments over the term of the loans, ranging from five to twenty years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The Ohio Public Works Commission (OPWC) zero interest loans relate to water line improvement, sewer separation improvements, street improvement, and sanitary sewer improvement projects. The loans will be repaid in semiannual installments over the term of the loans, ranging from five to thirty years. Where applicable, the Village has agreed to set utility rates sufficient to cover the OPWC debt service requirements.

The Village was the recipient of \$10,000 in OWDA loan principal forgiveness during 2019. The Village is required to follow the guidelines of the loan agreements. The failure to do so could result in the Village being liable for the principal forgiven. The principal outstanding above assumes the Village will fully comply with the loan guidelines and assumes full principal forgiveness.

OWDA loan Combined Sewer Evaluation Study is currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2019 \$177,000 has been disbursed from this loan.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2020	\$50,697	\$45,632
2021	50,697	45,632
2022	26,420	45,632
2023	26,420	45,632
2024	26,420	32,232
2025-2029	130,510	107,228
2030-2034	58,103	52,071
2035-2039		37,271
2040-2044		15,071
2045-2049		13,564
Total	\$369,267	\$439,965

Note 10 - Jointly Governed Organizations

Tri-Community Ambulance District

The Village of Greenwich, Greenwich Township, and Ripley Township each appoint a member to the Board of Trustees of Tri-Community Ambulance District (the Ambulance District). The Ambulance District provides emergency medical services to residents of these political subdivisions. Financial information can be obtained from Traci Montgomery, Clerk, Tri-Community Ambulance District, 3720 Edwards Road, Greenwich, Ohio 44837.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Tri-Community Joint Fire District

The Village of Greenwich, Greenwich Township, and Ripley Township each appoint a member to the Board of Trustees of Tri-Community Joint Fire District (the Fire District). The Fire District provides the fire protection and rescue services within the Fire District and by contract to areas outside of the Fire District. Financial information can be obtained from Lisa Madison, Clerk, Tri-Community Joint Fire District, 49 Main Street, Greenwich, Ohio 44837.

Note 11 - Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Investments of the pension and other employee benefit plan in which the Village participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 - Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor 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.

Note 13 - Change in Accounting Principle

For fiscal year 2019, the Village has implemented GASB Statement No. 84, "*Fiduciary Activities*".

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the Village will no longer be reporting agency funds. The Village reviewed its fiduciary funds and certain funds will be reported in the new fiduciary fund classification of custodial funds. These fund reclassifications were incorporated in the Village's 2019 financial statements; primarily the change in fund type name from agency to custodial. There were no restatements of fund balances deemed necessary.

Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$152,011	\$46,173		\$198,184
Municipal Income Tax	195,122	65,041		260,163
Intergovernmental	71,294	84,789	\$251,230	407,313
Special Assessments		100		100
Charges for Services		4,500		4,500
Fines, Licenses and Permits	135,004	1,107		136,111
Earnings on Investments	3,915	210		4,125
Miscellaneous	17,867	15,902		33,769
<i>Total Cash Receipts</i>	<u>575,213</u>	<u>217,822</u>	<u>251,230</u>	<u>1,044,265</u>
Cash Disbursements				
Current:				
Security of Persons and Property	376,117	1,435		377,552
Public Health Services	831	14,246		15,077
Leisure Time Activities	1,500	32,910		34,410
Transportation		77,656		77,656
General Government	159,569	4,034		163,603
Capital Outlay	1,842		316,409	318,251
<i>Total Cash Disbursements</i>	<u>539,859</u>	<u>130,281</u>	<u>316,409</u>	<u>986,549</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,354</u>	<u>87,541</u>	<u>(65,179)</u>	<u>57,716</u>
Other Financing Receipts (Disbursements)				
Loans Issued			65,179	65,179
Other Financing Uses	(2,383)			(2,383)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,383)</u>		<u>\$65,179</u>	<u>62,796</u>
<i>Net Change in Fund Cash Balances</i>	32,971	87,541		120,512
<i>Fund Cash Balances, January 1</i>	<u>350,169</u>	<u>318,366</u>		<u>668,535</u>
Fund Cash Balances, December 31				
Restricted		405,907		405,907
Assigned	322,185			322,185
Unassigned	60,955			60,955
<i>Fund Cash Balances, December 31</i>	<u>\$383,140</u>	<u>\$405,907</u>		<u>\$789,047</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
**Combined Statement of Receipts, Disbursements,
and Changes in Fund Balances (Regulatory Cash Basis)**
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$2,430,593		\$2,430,593
Miscellaneous	15,475		15,475
<i>Total Operating Cash Receipts</i>	<u>2,446,068</u>		<u>2,446,068</u>
Operating Cash Disbursements			
Personal Services	252,793		252,793
Employee Fringe Benefits	116,580		116,580
Contractual Services	1,760,152	\$1,711	1,761,863
Supplies and Materials	253,813		253,813
<i>Total Operating Cash Disbursements</i>	<u>2,383,338</u>	<u>1,711</u>	<u>2,385,049</u>
<i>Operating Income (Loss)</i>	<u>62,730</u>	<u>(1,711)</u>	<u>61,019</u>
Non-Operating Receipts (Disbursements)			
Property and Other Local Taxes	809	2,479	3,288
Intergovernmental		295	295
Loan Issued	58,000		58,000
Miscellaneous Receipts	1,000		1,000
Capital Outlay	(286,739)		(286,739)
Principal Retirement	(78,952)		(78,952)
Interest and Other Fiscal Charges	(2,000)		(2,000)
Other Financing Uses		(1,301)	(1,301)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(307,882)</u>	<u>1,473</u>	<u>(306,409)</u>
<i>Net Change in Fund Cash Balances</i>	(245,152)	(238)	(245,390)
<i>Fund Cash Balances, January 1</i>	<u>2,438,923</u>	<u>2,606</u>	<u>2,441,529</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,193,771</u></u>	<u><u>\$2,368</u></u>	<u><u>\$2,196,139</u></u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Greenwich, Huron County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, street construction, repair, and maintenance, cemetery maintenance, water, sewer, and electric utilities, park operations, and police services.

Public Entity Risk Pool and Jointly Governed Organizations

The Village participates in a public entity risk pool and two jointly governed organizations. Notes 6 and 10 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Street Construction Maintenance and Repair The Street Construction Maintenance and Repair Fund accounts for and reports that portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Parks and Recreation Fund The Parks and Recreation Fund receives property tax money, grants, and donations and contributions for the upkeep and maintenance of the parks.

Capital Project Funds These funds account for and report financial resources that are restricted to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Other Capital Projects Fund The Village received a grant and loan from the state for capital improvements. These monies are restricted for capital improvements.

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

Electric Operating Fund The Electric Operating Fund receives charges for services from residents and outside users to cover the cost of providing this utility.

Sewer Improvement Fund The Sewer Improvement Fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the combined sewer evaluation study. A utility surcharge recorded in this fund will repay this loan and pay for additional sewer repair, replacement and maintenance projects.

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

Agency funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's agency funds account for monies received from insurance companies and subsequently disbursed to property owners net of any costs incurred to repair, remove, or secure the building or other structure and library levy proceeds collected on behalf of and remitted to Huron County Community Library.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

A summary of 2018 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

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

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

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

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

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

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$389,580	\$575,213	\$185,633
Special Revenue	400,724	217,822	(182,902)
Capital Projects		316,409	316,409
Enterprise	2,785,495	2,505,877	(279,618)
Total	\$3,575,799	\$3,615,321	\$39,522

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$683,838	\$542,419	\$141,419
Special Revenue	777,842	130,307	647,535
Capital Projects	316,409	316,409	
Enterprise	5,224,418	2,751,202	2,473,216
Total	\$7,002,507	\$3,740,337	\$3,262,170

Note 4 - Deposits

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

Demand deposits	2018 \$76,007
Certificates of deposit	630,250
Other time deposits (savings accounts)	2,278,929
Total deposits	\$2,985,186

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 - Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as intergovernmental receipts. Payments are due to the County by December 31. If the property owner

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 - Risk Management

Risk Pool Membership

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

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

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

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent, of their gross salaries and the Village contributed an amount equaling 14 percent, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

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

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

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 - Debt

Debt outstanding at December 31, 2018, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$468,667	0 - 3.49%
Ohio Public Works Commission Loans	393,186	0%
Total	\$861,853	

The Ohio Water Development Authority (OWDA) loans relate to water supply improvements, a sewer separation project, sewer improvements, a combined sewer evaluation study, and an asset management plan. The loans will be repaid in semiannual installments over the term of the loans, ranging from five to twenty years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) zero interest loans relate to water line improvement, sewer separation improvements, street improvement, and sanitary sewer improvement projects. The loans will be repaid in semiannual installments over the term of the loans, ranging from five to thirty years. Where applicable, the Village has agreed to set utility rates sufficient to cover the OPWC debt service requirements.

OWDA loan Combined Sewer Evaluation Study is currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2018 \$58,000 has been disbursed from this loan.

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2019	\$49,761	\$31,569
2020	48,983	33,832
2021	48,983	33,832
2022	24,706	33,832
2023	24,706	33,832
2024-2028	132,100	116,230
2029-2033	82,933	60,450
2034-2038		44,671
2039-2041		4,938
Total	\$412,172	\$393,186

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 - Jointly Governed Organizations

Tri-Community Ambulance District

The Village of Greenwich, Greenwich Township, and Ripley Township each appoint a member to the Board of Trustees of Tri-Community Ambulance District (the Ambulance District). The Ambulance District provides emergency medical services to residents of these political subdivisions. Financial information can be obtained from Traci Montgomery, Clerk, Tri-Community Ambulance District, 3720 Edwards Road, Greenwich, Ohio 44837.

Tri-Community Joint Fire District

The Village of Greenwich, Greenwich Township, and Ripley Township each appoint a member to the Board of Trustees of Tri-Community Joint Fire District (the Fire District). The Fire District provides the fire protection and rescue services within the Fire District and by contract to areas outside of the Fire District. Financial information can be obtained from Lisa Madison, Clerk, Tri-Community Joint Fire District, 49 Main Street, Greenwich, Ohio 44837.

Note 11 - Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Investments of the pension and other employee benefit plan in which the Village participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 - Miscellaneous Receipts

Special Revenue Fund Type miscellaneous receipts consisted primarily of contributions and donations.

Note 13 - Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor 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.

OHIO AUDITOR OF STATE KEITH FABER



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Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Village of Greenwich
Huron County
45 Main Street
Greenwich, Ohio 44837

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Greenwich, Huron County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated November 16, 2020 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

November 16, 2020

**VILLAGE OF GREENWICH
HURON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Material Weakness

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

The following errors requiring adjustment to the financial statements and/or notes to the financial statements for the year ended December 31, 2019 were identified:

- The Village's notes to the financial statements filed in the Hinkle system annual report omitted Budgeted vs. Actual Budgetary Basis Expenditure information for all fund types. Appropriation authority and budgetary expenditures in the General, Special Revenue, Capital Projects, and Enterprise fund types were increased in amounts ranging from \$236,533 to \$4,226,882 in order to bring amounts reported in the Budgetary Activity note to the financial statements in line with authorized budget and actual amounts;
- General Fund, Special Revenue, and Enterprise fund type budgeted receipts were increased in the amounts of \$85,698, \$144,654, and \$258,773, respectively, in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with authorized budget amounts;
- Ohio Public Works Commission Issue II activity was incorrectly accounted for in the Special Revenue Fund Type. Intergovernmental receipts, loans issued, capital outlay disbursements, and appropriation authority in the amounts of \$54,848, \$59,000, \$113,848, and \$113,848, respectively, have been adjusted to the Capital Projects Fund Type to properly account for this activity;
- Capital Projects Fund Type intergovernmental receipts, loans issued, capital outlay disbursements, and appropriation authority in the amounts of \$52,137, \$17,454, \$69,591, and \$69,591, respectively, have been increased in order to properly account for Ohio Public Works Commission Issue II activity that was improperly excluded from the Village's accounting records and annual report; and
- Capital Projects Fund Type intergovernmental receipts, capital outlay disbursements, and appropriation authority were each increased in the amount of \$45,300 in order to properly account for Community Development Block Grant activity paid directly to the vendor on-behalf of the Village.

Also identified were the following errors requiring adjustment to the financial statements and/or notes to the financial statements for the year ended December 31, 2018:

- The Village's notes to the financial statements filed in the Hinkle system annual report omitted Budgeted vs. Actual Budgetary Basis Expenditure information for all fund types. Appropriation authority and budgetary expenditures in the General, Special Revenue, Capital Projects, and Enterprise fund types were increased in amounts ranging from \$130,307 to \$5,224,818 in order to bring amounts reported in the Budgetary Activity note to the financial statements in line with authorized budget and actual amounts;
- Ohio Public Works Commission Issue II activity was incorrectly accounted for in the Enterprise Fund Type. Intergovernmental receipts, loans issued, capital outlay disbursements, and appropriation authority in the amounts of \$251,230, \$65,179, \$316,409, and \$316,409, respectively, have been adjusted to the Capital Projects Fund Type to properly account for this activity;

**FINDING NUMBER 2019-001
(CONTINUED)**

- Agency Fund Type property and other local taxes receipts in the amount of \$1,022 were incorrectly classified as intergovernmental receipts; and
- Agency Fund Type property and other local taxes receipts and contractual services disbursements were each decreased in the amount of \$288 to remove a receipt and memo disbursement incorrectly recorded twice in the Village's accounting system.

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The accompanying financial statements and the notes to the financial statements have been adjusted to reflect these changes. Additional errors in smaller relative amounts were also noted for the years ended December 31, 2019 and 2018.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and notes to the financial statements by the Fiscal Officer and Village Council to help identify and correct errors and omissions. The Fiscal Officer can refer to the Ohio Village Officer's Handbook at the following website address for guidance on the recording of transactions:

<http://www.ohioauditor.gov/publications/Village%20Officers%20Manual.pdf>

The Fiscal Officer can also refer to Auditor of State Bulletin 2002-004 at the following website address for information on how to properly account for Issue II money:

<http://www.ohioauditor.gov/publications/bulletins/2002/2002-004.pdf>.

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issue related to Findings for Recovery. This issue did not impact our GAGAS report.

FINDING NUMBER 2019-002

Finding for Recovery Repaid Under Audit

On February 21, 2017, the Village of Greenwich Village Council passed Ordinance 2017-01 "Amending Clerk-Treasurer (Village Fiscal Officer) Salary Retroactive to January 1, 2017." Ordinance 2017-01 established the Fiscal Officer's monthly salary as \$1,410, which calculates to \$16,920 per year, or \$650.77 per bi-weekly pay period.

On March 6, 2018, the Village of Greenwich Village Council passed Ordinance 2018-02 "Amending Clerk-Treasurer (Village Fiscal Officer) Salary." Ordinance 2018-02 established the Fiscal Officer's monthly salary as \$1,596, which calculates to \$19,152 per year, or \$736.62 per bi-weekly pay period effective April 6, 2018.

There was an error in calculating the monthly salary via bi-weekly pays in 47 of the pay periods for Betty Inmon, former Fiscal Officer, for the period of January 1, 2018 through December 31, 2019 due to deficiencies in the Village's internal controls over payroll calculations. As a result, the former Fiscal Officer was over-compensated as follows:

**FINDING NUMBER 2019-002
(CONTINUED)**

Year	Number of Pays	Rate	Authorized Pay
2018	7	\$ 650.77	\$ 4,555.39
2018	19	736.62	13,995.78
2019	26	736.62	19,152.12
Total Authorized Pay for 2018-2019			\$ 37,703.29
Less: Amount Actually Paid			\$ (40,465.39)
Overpayment			\$ (2,762.10)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Betty Inmon, former Fiscal Officer, and her bonding company, Western Surety Company, in the amount of \$2,762, and in favor of the Village of Greenwich General (\$691), Water Operating (\$691), Sewer Operating (\$690), and Electric Operating (\$690) funds.

The Village should implement policies and procedures to ensure proper calculations of authorized bi-weekly rates of pay. Failure to do so could result in findings for recovery.

Betty Inmon reimbursed the Village through a personal check on November 9, 2020 (\$2,762).

Officials' Response:

We did not receive a response from Officials to the findings reported above.

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VILLAGE OF GREENWICH, STATE OF OHIO

FISCAL OFFICE

45 Main Street

Greenwich, OH 44837

Phone: (419) 752-2441 ** Fax: (419) 752-1903

www.villageofgreenwich.com



Jennifer Meyer

Fiscal Officer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Material weakness over financial reporting errors initially reported as Finding 2015-001.	Not corrected and reissued as finding 2019-001 in this report.	The Village declined the opportunity to respond and therefore did not provide reasoning for the continuation of this comment.
2017-002	Significant deficiency over non-cash adjustments to customer accounts.	Fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GREENWICH

HURON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/1/2020

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