



**VILLAGE OF GREENWICH
HURON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021-2020

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, 2021	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2021	6
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2021	7
Notes to the Financial Statements For the Year Ended December 31, 2021	8
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020	17
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2020	18
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2020	19
Notes to the Financial Statements For the Year Ended December 31, 2020	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29
Schedule of Findings.....	31
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	33

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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 Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Greenwich, Huron County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 13 to the financial statements for each year, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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 21, 2022

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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, 2021

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$125,268			\$125,268
Municipal Income Tax	142,365	\$47,455		189,820
Intergovernmental	83,380	170,329		253,709
Charges for Services		1,580		1,580
Fines, Licenses and Permits	22,985	25		23,010
Earnings on Investments	2,591	281		2,872
Miscellaneous	13,619	2,869		16,488
<i>Total Cash Receipts</i>	<u>390,208</u>	<u>222,539</u>		<u>612,747</u>
Cash Disbursements				
Current:				
Security of Persons and Property	340,638	18,068		358,706
Public Health Services		30,183		30,183
Leisure Time Activities		33,145		33,145
Basic Utility Services		7,531		7,531
Transportation		109,805		109,805
General Government	169,828	6,521		176,349
Capital Outlay	1,500	7,324	\$18,184	27,008
Debt Service:				
Principal Retirement		13,312		13,312
<i>Total Cash Disbursements</i>	<u>511,966</u>	<u>225,889</u>	<u>18,184</u>	<u>756,039</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(121,758)</u>	<u>(3,350)</u>	<u>(18,184)</u>	<u>(143,292)</u>
Other Financing Receipts				
Other Debt Proceeds			\$18,184	18,184
<i>Net Change in Fund Cash Balances</i>	(121,758)	(3,350)		(125,108)
<i>Fund Cash Balances, January 1</i>	<u>277,318</u>	<u>396,857</u>		<u>674,175</u>
<i>Fund Cash Balances, December 31</i>	<u>\$155,560</u>	<u>\$393,507</u>		<u>\$549,067</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)
Proprietary Fund Type
For the Year Ended December 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,160,044
Miscellaneous	2,325
	2,162,369
<i>Total Operating Cash Receipts</i>	<i>2,162,369</i>
Operating Cash Disbursements	
Personal Services	230,023
Employee Fringe Benefits	115,446
Contractual Services	1,596,968
Supplies and Materials	114,675
	2,057,112
<i>Total Operating Cash Disbursements</i>	<i>2,057,112</i>
<i>Operating Income</i>	<i>105,257</i>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	1,028,951
Capital Outlay	(802,498)
Principal Retirement	(376,529)
Interest and Other Fiscal Charges	(496)
	(150,572)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(150,572)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(45,315)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,230,131</i>
<i>Fund Cash Balances, December 31</i>	<i>\$2,184,816</i>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial
	Other Custodial
Deductions	
Other Deductions	\$2,000
<i>Fund Cash Balances, January 1</i>	2,368
<i>Fund Cash Balances, December 31</i>	\$368

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 11 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, and a combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type, which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

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

Public Works Commission Project Fund The Village received a loan from the state for capital improvements. The proceeds are restricted for capital improvement.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 accounts for the provision of electric service to residential and commercial users. The fund receives charges for services from residents, non-residents, and commercial users to cover electric service costs.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. 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 Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires 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 2021 budgetary activity appears in Note 3.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$367,216	\$390,208	\$22,992
Special Revenue	192,518	222,539	30,021
Capital Projects		18,184	18,184
Enterprise	1,687,500	3,191,320	1,503,820
Total	\$2,247,234	\$3,822,251	\$1,575,017

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$625,203	\$516,334	\$108,869
Special Revenue	589,927	233,065	356,862
Capital Projects	18,184	18,184	
Enterprise	4,944,595	3,236,635	1,707,960
Total	\$6,177,909	\$4,004,218	\$2,173,691

Note 4 - Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit accounts are as follows:

	2021
<i>Cash Management Pool (The Pool):</i>	
Demand deposits	\$615,227
Certificates of deposit	632,327
Other time deposits (savings and NOW accounts)	1,486,697
<i>Total carrying amount of deposits held in the Pool</i>	\$2,734,251

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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

Income Taxes

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

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

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

	<u>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

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 health care 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, 2021.

Ohio Police and Fire Retirement System

The Village's full-time police officers belong to the Ohio 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 health care 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, 2021.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$963,086	0%
Ohio Public Works Commission Loans	376,737	0%
Total	\$1,339,823	

The Ohio Water Development Authority (OWDA) loan relates to a water supply improvements, a sewer separation project, sewer improvements, a combined sewer evaluation study, an asset management plan, a CSO reduction project, and a combined sewer separation project. 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 Separation Phase E2 and Greenwich CSO Reduction Project - Phase E1 are 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, 2021 \$53,780 and \$641,433, respectively, has been disbursed from these loans.

OPWC loan South Kniffen Street Resurfacing is currently “open” meaning the final disbursements have not yet been made from OPWC; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2021 \$28,036 has been disbursed from this loan.

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Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA Loans	OPWC Loans
2022	\$26,420	\$45,632
2023	26,420	45,632
2024	26,420	32,232
2025	26,420	22,475
2026	26,420	22,475
2027-2031	124,153	83,107
2032-2036	11,620	52,071
2037-2041		22,471
2042-2046		15,071
2047-2048		7,535
Total	\$267,873	\$348,701

Note 10 - 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 11 - 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 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$4,368	\$7,176	\$11,544

The fund balance of Special Revenue funds is either restricted or committed. These restricted and committed amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 13 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$126,841	\$46,094		\$172,935
Municipal Income Tax	146,459	48,820		195,279
Intergovernmental	80,176	284,650	\$187,681	552,507
Charges for Services		4,325		4,325
Fines, Licenses and Permits	25,145	50		25,195
Earnings on Investments	6,526	566		7,092
Miscellaneous	26,931	7,548		34,479
<i>Total Cash Receipts</i>	<u>412,078</u>	<u>392,053</u>	<u>187,681</u>	<u>991,812</u>
Cash Disbursements				
Current:				
Security of Persons and Property	328,081	72,559		400,640
Public Health Services	293	21,378		21,671
Leisure Time Activities		26,838		26,838
Basic Utility Services		34,289		34,289
Transportation		106,406		106,406
General Government	178,272	50,579		228,851
Capital Outlay	6,860	4,544	197,533	208,937
Debt Service:				
Principal Retirement		13,312		13,312
<i>Total Cash Disbursements</i>	<u>513,506</u>	<u>329,905</u>	<u>197,533</u>	<u>1,040,944</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(101,428)</u>	<u>62,148</u>	<u>(9,852)</u>	<u>(49,132)</u>
Other Financing Receipts				
Other Debt Proceeds			\$9,852	9,852
<i>Net Change in Fund Cash Balances</i>	(101,428)	62,148		(39,280)
<i>Fund Cash Balances, January 1</i>	<u>378,746</u>	<u>334,709</u>		<u>713,455</u>
<i>Fund Cash Balances, December 31</i>	<u>\$277,318</u>	<u>\$396,857</u>		<u>\$674,175</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)
Proprietary Fund Type
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,109,746
Miscellaneous	40,955
	2,150,701
 Operating Cash Disbursements	
Personal Services	237,052
Employee Fringe Benefits	135,015
Contractual Services	1,534,306
Supplies and Materials	143,011
	2,049,384
 <i>Operating Income</i>	 101,317
 Non-Operating Receipts (Disbursements)	
Intergovernmental	500
Other Debt Proceeds	434,868
Miscellaneous Receipts	99
Capital Outlay	(270,488)
Principal Retirement	(264,689)
Interest and Other Fiscal Charges	(1,139)
	(100,849)
 <i>Net Change in Fund Cash Balances</i>	 468
 <i>Fund Cash Balances, January 1</i>	 2,229,663
 <i>Fund Cash Balances, December 31</i>	 \$2,230,131

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Custodial
	Other Custodial
<i>Fund Cash Balances, January 1</i>	\$2,368
<i>Fund Cash Balances, December 31</i>	\$2,368

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 11 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, a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, and a combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type, which are all organized on a fund type basis.

Fund Accounting

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

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

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

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

Coronavirus Relief Fund The Coronavirus Relief Fund received monies from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to be used for eligible expenses.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Public Works Commission Project Fund The Village received a grant and loan from the state for capital improvements. The proceeds are restricted for capital improvement.

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 accounts for the provision of electric service to residential and commercial users. The fund receives charges for services from residents, non-residents, and commercial users to cover electric service costs.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. 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 Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires 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.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 2020 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*.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$440,014	\$412,078	(\$27,936)
Special Revenue	356,943	392,053	35,110
Capital Projects		197,533	197,533
Enterprise	1,850,000	2,586,168	736,168
Total	\$2,646,957	\$3,587,832	\$940,875

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$779,012	\$518,577	\$260,435
Special Revenue	684,910	338,419	346,491
Capital Projects	197,533	197,533	
Enterprise	4,514,818	2,585,700	1,929,118
Total	\$6,176,273	\$3,640,229	\$2,536,044

Note 4 - Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit accounts are as follows:

	2020
<i>Cash Management Pool (the Pool):</i>	
Demand deposits	\$457,340
Certificates of deposit	632,327
Other time deposits (savings and NOW accounts)	1,817,007
<i>Total carrying amount of deposits held in the Pool</i>	\$2,906,674

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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

Income Taxes

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

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

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' 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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

	<u>2020</u>
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

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 health care 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, 2020.

Ohio Police and Fire Retirement System

The Village's full-time police officers belong to the Ohio 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 health care 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, 2020.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loans	\$574,147	0 - 3.49%
Ohio Public Works Commission Loans	404,185	0%
Total	\$978,332	

The Ohio Water Development Authority (OWDA) loans relates to a water supply improvements, a sewer separation project, sewer improvements, a combined sewer evaluation study, an asset management plan, and a CSO reduction project. 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 CSO Reduction - Phase E1 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, 2020 \$257,868 has been disbursed from this loan.

OPWC loan South Kniffen Street Resurfacing is currently “open” meaning the final disbursements have not yet been made from OPWC; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2020 \$9,852 has been disbursed from this loan.

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Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Amortization

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2021	\$48,902	\$44,169
2022	26,420	45,632
2023	26,420	45,632
2024	26,420	32,232
2025	26,420	22,475
2026-2030	127,331	95,167
2031-2035	34,862	52,071
2036-2040		29,871
2041-2045		15,071
2046-2048		12,013
Total	\$316,775	\$394,333

Note 10 - 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 11 - 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.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$5,071</u>	<u>\$8,514</u>	<u>\$13,585</u>

The fund balance of Special Revenue funds is either restricted or committed. These restricted and committed amounts in the Special Revenue funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

Note 13 - COVID-19

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. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 14 - Change in Accounting Principle

For 2020, the Village has made changes to its cash basis reporting model. These changes include removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) - all governmental fund types.



88 East Broad Street
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**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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements of the Village of Greenwich, Huron County, Ohio (the Village), and have issued our report thereon dated November 21, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 21, 2022

**VILLAGE OF GREENWICH
HURON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

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

FINDING NUMBER 2021-001

Material Weakness - Financial Reporting

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 were identified in the accompanying financial statements and notes to the financial statements:

- In 2020, Special Revenue Fund Type budgeted receipts were increased in the amount of \$75,913 in order to bring the amount reported in the Budgetary Activity note to the financial statements in line with authorized budget amounts;
- In 2021, Capital Projects Fund Type other debt proceeds receipts and capital outlay disbursements were each increased in the amount of \$18,184 in order to properly account for the Village's share of an Ohio Public Works Commission Issue 2 project. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in this amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;
- In 2021, Enterprise Fund Type other debt proceeds receipts and capital outlay disbursements were each increased in the amount of \$733,148 in order to properly account for Ohio Water Development Authority loan activity. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in this amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;
- In 2021, Enterprise Fund Type other debt proceeds receipts and principal retirement disbursements were each increased in the amount of \$295,803 in order to properly account for the Village's Ohio Water Development Authority loan pay off. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in this amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;
- In 2021, the Debt note to the financial statements understated outstanding Ohio Water Development Authority and Ohio Public Works Commission loans in the amounts of \$641,433 and \$81,105, respectively;
- In 2020, Capital Projects Fund Type other debt proceeds, intergovernmental receipts and capital outlay disbursements were each increased in the amount of \$9,852, \$187,681, and \$197,533, respectively, in order to properly account for the Village's share of a Ohio Public Works Commission Issue 2 project. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in these amounts in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;
- In 2020, Enterprise Fund Type other debt proceeds receipts and capital outlay disbursements were each increased in the amount of \$257,868 in order to properly account for Ohio Water Development Authority loan activity. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in this amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts;

**FINDING NUMBER 2021-001
(CONTINUED)**

- In 2020, Enterprise Fund Type other debt proceeds receipts and principal retirement disbursements were each increased in the amount of \$177,000 in order to properly account for the Village's Ohio Water Development Authority loan pay off. As part of these adjustments, actual receipts, appropriation authority, and budgetary expenditures were also increased in this amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual and authorized budget amounts; and
- In 2020, the Debt note to the financial statements understated outstanding Ohio Water Development Authority loans in the amount of \$257,868.

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 failure to adequately monitor financial statements and notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements and notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional misstatements and ranging from \$60 to \$51,284 that we have brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate and to help identify and correct errors and omissions, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council. The Fiscal Officer can refer to the Village Officer's Handbook at the following website address for guidance on the recording of transactions:
<https://ohioauditor.gov/publications/docs/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 accounting for Ohio Public Works Commission Issue 2 projects:
<https://ohioauditor.gov/publications/bulletins/2002/2002-004.pdf>

Officials' Response:

I Jennifer Meyer, Fiscal Officer, have received the draft report and management letter for the Village of Greenwich and understand the comments and findings and will work harder in the future to correct any problems found.

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, 2021 AND 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material weakness for errors in financial reporting initially reported as finding 2015-001.	Not corrected and reissued as finding 2021-001.	This matter is being repeated due to deficiencies in the Village's internal controls over financial reporting. I Jennifer Meyer, Fiscal Officer, have received the draft report and management letter for the Village of Greenwich and understand the comments and findings and will work harder in the future to correct any problems found.
2019-002	Finding for recovery related to overpayment of the former Fiscal Officer.	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 12/13/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov