

Village of Greenfield
Highland County
Regular Audit
For the Years Ended December 31, 2019 and 2018



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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Greenfield
PO Box 300
Greenfield, OH 45123

We have reviewed the *Independent Auditor's Report* of the Village of Greenfield, Highland County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Greenfield is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 13, 2020

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Village of Greenfield
Highland County
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Independent Auditor's Report

Village Council
Village of Greenfield
P.O. Box 300
Greenfield, Ohio 45123

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 Greenfield, Highland 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 1 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, or the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

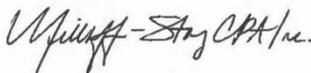
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Greenfield, Highland County, as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in note 1.

Emphasis of Matter

As discussed in note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 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.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

September 2, 2020

Village of Greenfield
Highland 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>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Local Taxes	\$ 87,380	\$ 12,483	\$ -	\$ -	\$ 99,863
Municipal Income Tax	642,031	561,778	94,174	-	1,297,983
Intergovernmental	114,319	186,254	366,884	-	667,457
Charges for Services	91,224	92,462	-	-	183,686
Fines, Licenses, and Permits	94,242	70	-	-	94,312
Earnings on Investments	43,712	5,321	3,414	-	52,447
Miscellaneous	17,409	9,874	1,695	-	28,978
Total Cash Receipts	<u>1,090,317</u>	<u>868,242</u>	<u>466,167</u>	<u>-</u>	<u>2,424,726</u>
Cash Disbursements:					
Current:					
Security of Persons & Property	601,193	429,280	-	-	1,030,473
Public Health Service	14,569	135,365	-	-	149,934
Leisure Time Activities	-	55,889	-	-	55,889
Community Environment	-	262	-	-	262
Transportation	-	214,702	-	-	214,702
General Government	374,937	-	-	-	374,937
Capital Outlay	-	73,042	389,564	-	462,606
Debt Service:					
Principal Payment	10,434	-	-	-	10,434
Interest and Fiscal Charges	2,125	-	-	-	2,125
Total Cash Disbursements	<u>1,003,258</u>	<u>908,540</u>	<u>389,564</u>	<u>-</u>	<u>2,301,362</u>
Excess of Receipts Over (Under) Disbursements	87,059	(40,298)	76,603	-	123,364
Other Financing Receipts (Disbursements):					
Sale of Capital Assets	-	24,403	-	-	24,403
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>24,403</u>	<u>-</u>	<u>-</u>	<u>24,403</u>
Net Change in Fund Cash Balances	<u>87,059</u>	<u>(15,895)</u>	<u>76,603</u>	<u>-</u>	<u>147,767</u>
Fund Cash Balances, January 1	<u>247,002</u>	<u>508,704</u>	<u>146,378</u>	<u>8,606</u>	<u>910,690</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	8,606	8,606
Restricted	-	492,809	-	-	492,809
Committed	44,977	-	222,981	-	267,958
Assigned	13,843	-	-	-	13,843
Unassigned	275,241	-	-	-	275,241
Fund Cash Balances, December 31	<u>\$ 334,061</u>	<u>\$ 492,809</u>	<u>\$ 222,981</u>	<u>\$ 8,606</u>	<u>\$ 1,058,457</u>

The notes to the financial statements are an integral part of this statement.

Village of Greenfield
Highland 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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 1,827,366	\$ -	\$ 1,827,366
Earnings on Investments (trust funds only)	-	344	344
Miscellaneous	24,658	-	24,658
	<u>1,852,024</u>	<u>344</u>	<u>1,852,368</u>
Total Operating Cash Receipts	<u>1,852,024</u>	<u>344</u>	<u>1,852,368</u>
Operating Cash Disbursements:			
Personal Services	577,253	-	577,253
Employee Fringe Benefits	258,757	-	258,757
Contractual Services	378,377	-	378,377
Supplies and Materials	137,016	-	137,016
Other	4,435	-	4,435
	<u>1,355,838</u>	<u>-</u>	<u>1,355,838</u>
Total Operating Cash Disbursements	<u>1,355,838</u>	<u>-</u>	<u>1,355,838</u>
Operating Cash Receipts Over Operating Cash Disbursements	496,186	344	496,530
Non-Operating Receipts (Disbursements):			
Capital Outlay	(196,615)	-	(196,615)
Proceeds of Bank Loan	97,070	-	97,070
Principal	(183,500)	-	(183,500)
Interest and Other Fiscal Charges	(109,637)	-	(109,637)
	<u>(392,682)</u>	<u>-</u>	<u>(392,682)</u>
Total Non-Operating Receipts (Disbursements)	<u>(392,682)</u>	<u>-</u>	<u>(392,682)</u>
Net Change in Fund Cash Balances	103,504	344	103,848
Fund Cash Balances, January 1	<u>1,757,718</u>	<u>18,746</u>	<u>1,776,464</u>
Fund Cash Balances, December 31	<u>\$ 1,861,222</u>	<u>\$ 19,090</u>	<u>\$ 1,880,312</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity

The Village of Greenfield (the "Village") was organized in 1941 as a municipal corporation under the laws of the State of Ohio. The Village was recognized by the State of Ohio as a Village after the 2010 federal census. The Village had been previously recognized as a City since the 1960 census.

The Village operates under a City Manager form of government as voted on by its citizens, and provides the following services as authorized by state and local law: Water and sewer utilities, police services, cemetery operation, public service, public safety, health, recreation and development.

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

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:

Governmental Funds

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds – These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Cemetery Fund – This fund receives proceeds from burial fees and sale of lots and cornerstones for the maintenance and upkeep of the cemetery operated by the Village.

Law Enforcement Income Tax Fund – This fund accounts for income tax monies received to assist in paying law enforcement costs of the Village.

Capital Projects Funds – These funds account for the acquisition or construction of major capital facilities and capital improvements other than those financed by Proprietary Funds. They include projects financed by notes. The Village had the following significant Capital Projects Fund:

Mill Street Fund – This fund receives OPWC grant and loan monies for capital improvements to Mill Street within the Village.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Permanent Fund – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village’s programs.

Cemetery Trust – This fund is used to account for interest earned on a certain amount of principal and spent for the upkeep of graves and lots.

Fiduciary Funds

Private Purpose Trust Funds – Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village’s own programs. The Village’s private purpose trust funds are used to purchase flowers for specific grave sites.

Proprietary Funds

Enterprise Funds – These funds account for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods and services will be recovered through user charges. The Village had the following significant Enterprise funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Railroad Fund – This fund receives charges for services from users of the railroad lines to cover the cost of providing services. This fund also receives grants and loans (line of credit) to assist in making improvements to the railroad lines and associated infrastructure.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund, other than 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 9.

Deposits and Investments

The Village Finance Director invests all available funds of the Village. Village funds are invested in “Super Now” checking accounts with local commercial banks. The Village pools its cash for investment purpose to capture the highest rate of return. Investment income is distributed to Village funds based upon the Ohio Constitution.

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

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected under the cash basis of accounting used by the Village.

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:

1. Non-spendable

The Village classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. 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.

3. 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance (Cont'd)

4. 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 the Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. 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.

2. EQUITY IN POOLED CASH

The Village maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amounts of deposits at December 31, 2019 are as follows:

	2019
Demand Deposits	\$ 2,938,319
Petty Cash	450
Total Deposits	\$ 2,938,769

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2019 consisted of the following:

	2019 Principal Outstanding	Interest
Ohio Water Development Authority Loans	\$ 3,919,200	1.00-3.95%
Ohio Public Works Commission Loans	484,153	0.00%
Bank Loans	143,094	3.625 -3.95%
Total Debt	\$ 4,546,447	

The Ohio Water Development Authority (OWDA) loans #4677, 4882, 5482, and 5938 are for utility construction projects. Property and revenue of the utility facilities have been pledged to repay these debts.

The Ohio Public Works Commission (OPWC) loans are for Issue II money borrowed for the North/N. Eighth Street Waterline Replacement project and the Phase I Wastewater Treatment Plant Improvements.

In 2018, the Village acquired a five-year loan to purchase two police cruisers. The loan amount was \$56,458 at an interest rate of 3.95%. The debt will be paid in full in fiscal year 2023.

In 2019, the Village acquired a five-year loan in the amount of \$97,070 to purchase a 2019 Ford F550 Supercab for the Water and Sewer departments. The debt will be paid in full in fiscal year 2024.

The annual requirement to amortize all bonded debt and long-term loans outstanding as of December 31, 2019, including interest payments of \$1,193,377 are as follows:

Year Ending 12/31	OWDA Loans	OPWC Loans	Bank Loans	Total (Memorandum Only)
2020	\$ 256,952	\$ 36,185	\$ 34,239	\$ 327,376
2021	256,952	36,185	34,239	327,376
2022	256,952	36,185	34,239	327,376
2023	256,952	36,185	34,240	327,377
2024	256,952	36,185	21,575	314,712
2025-2029	1,284,760	180,925	-	1,465,685
2030-2034	1,248,532	75,920	-	1,324,452
2035-2039	1,041,376	30,920	-	1,072,296
2040-2042	237,711	15,463	-	253,174
Total	\$ 5,097,139	\$ 484,153	\$ 158,532	\$ 5,739,824

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. PROPERTY TAX

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.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.625 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. The Village utilizes the Regional Income Tax Agency (RITA) for the collection of income taxes on its behalf.

6. RETIREMENT SYSTEM

Ohio Public Employees Retirement System

The Village's employees, other than full-time police officers, 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.

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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

7. 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 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.

8. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Cyber liability;

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool (the Pool), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2019, retention levels are \$50,000 and \$100,000 for property and casualty coverages respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2019 (the most recent data available).

Assets	\$1,582,183
Liabilities	<u>(1,087,219)</u>
Accumulated Surplus	<u>\$ 494,964</u>

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

9. BUDGETARY ACTIVITY

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

2019 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,084,540	\$ 1,090,317	\$ 5,777
Special Revenue	816,408	892,645	76,237
Capital Projects	492,609	466,167	(26,442)
Enterprise	1,820,000	1,949,094	129,094
Private Purpose Trust Fund	185	344	159
Total	<u>\$ 4,213,742</u>	<u>\$ 4,398,567</u>	<u>\$ 184,825</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,057,401	\$ 1,015,320	\$ 42,081
Special Revenue	1,240,564	942,156	298,408
Capital Projects	490,212	417,345	72,867
Enterprise	2,843,936	2,055,081	788,855
Total	<u>\$ 5,632,113</u>	<u>\$ 4,429,902</u>	<u>\$ 1,202,211</u>

10. CONTINGENT LIABILITIES

At December 31, 2019, there was no litigation outstanding that in management's opinion would have a significant effect on the accompanying financial statements.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

11. FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the governmental funds are presented below:

Fund Balances	General Fund	Special Revenue	Capital Projects	Permanent	Total
<u>Nonspendable</u>					
Cemetery Trust	\$ -	\$ -	\$ -	\$ 8,606	\$ 8,606
<i>Total Nonspendable</i>	-	-	-	8,606	8,606
<u>Restricted for</u>					
Street Improvements	-	263,011	-	-	263,011
Cemetery Maintenance	-	64,305	-	-	64,305
Park Maintenance	-	44,869	-	-	44,869
Law Enforcement Income Tax	-	78,317	-	-	78,317
Other Purposes	-	42,307	-	-	42,307
<i>Total Restricted</i>	-	492,809	-	-	492,809
<u>Committed to</u>					
Cable Franchise	44,977	-	-	-	44,977
Cemetery Improvements	-	-	40,315	-	40,315
City Hall Improvements	-	-	182,666	-	182,666
<i>Total Committed</i>	44,977	-	222,981	-	267,958
<u>Assigned to</u>					
Appropriated	1,781	-	-	-	1,781
Other Purposes	12,062	-	-	-	12,062
<i>Total Assigned</i>	13,843	-	-	-	13,843
<u>Unassigned</u>					
	275,241	-	-	-	275,241
<i>Total Fund Balances</i>	<u>\$ 334,061</u>	<u>\$ 492,809</u>	<u>\$ 222,981</u>	<u>\$ 8,606</u>	<u>\$ 1,058,457</u>

12. 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 ensuing emergency measures will 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.

The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

13. COMPLIANCE

The Village had expenditures in excess of appropriations in the Mill Street Capital Projects Fund at December 31, 2019. The Village had appropriations in excess of estimated resources in the City Hall Improvement Capital Projects Fund at December 31, 2019.

Village of Greenfield
Highland 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Local Taxes	\$ 77,885	\$ 11,126	\$ -	\$ -	\$ 89,011
Municipal Income Tax	675,913	591,427	105,612	-	1,372,952
Intergovernmental	110,280	163,585	-	-	273,865
Charges for Services	77,431	69,323	-	-	146,754
Fines, Licenses, and Permits	68,147	2,176	-	-	70,323
Earnings on Investments	28,203	4,127	1,389	-	33,719
Miscellaneous	36,794	5,642	2,250	-	44,686
Total Cash Receipts	1,074,653	847,406	109,251	-	2,031,310
Cash Disbursements:					
Current:					
Security of Persons & Property	646,489	419,867	-	-	1,066,356
Public Health Service	8,918	105,692	-	-	114,610
Leisure Time Activities	-	48,054	-	-	48,054
Transportation	-	206,847	-	-	206,847
General Government	437,950	-	-	-	437,950
Capital Outlay	77,052	13,291	23,815	-	114,158
Total Cash Disbursements	1,170,409	793,751	23,815	-	1,987,975
Excess of Receipts Over (Under) Disbursements	(95,756)	53,655	85,436	-	43,335
Other Financing Receipts (Disbursements):					
Other Debt Proceeds	56,458	-	-	-	56,458
Advances-In	50,000	-	-	-	50,000
Total Other Financing Receipts (Disbursements)	106,458	-	-	-	106,458
Net Change in Fund Cash Balances	10,702	53,655	85,436	-	149,793
Fund Cash Balances, January 1	236,300	455,049	60,942	8,606	760,897
Fund Cash Balances, December 31					
Nonspendable	-	-	-	8,606	8,606
Restricted	-	508,704	-	-	508,704
Committed	47,904	-	146,378	-	194,282
Assigned	44,807	-	-	-	44,807
Unassigned	154,291	-	-	-	154,291
Fund Cash Balances, December 31	\$ 247,002	\$ 508,704	\$ 146,378	\$ 8,606	\$ 910,690

The notes to the financial statements are an integral part of this statement.

Village of Greenfield
Highland 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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 1,827,476	\$ -	\$ 1,827,476
Earnings on Investments (trust funds only)	-	225	225
Miscellaneous	15,966	-	15,966
	<u>1,843,442</u>	<u>225</u>	<u>1,843,667</u>
Total Operating Cash Receipts			
Operating Cash Disbursements:			
Personal Services	568,643	-	568,643
Employee Fringe Benefits	243,177	-	243,177
Contractual Services	406,284	-	406,284
Supplies and Materials	110,357	-	110,357
Other	3,836	-	3,836
	<u>1,332,297</u>	<u>-</u>	<u>1,332,297</u>
Total Operating Cash Disbursements			
Operating Cash Receipts Over Operating Cash Disbursements	511,145	225	511,370
Non-Operating Receipts (Disbursements):			
Capital Outlay	(127,879)	-	(127,879)
Principal	(179,686)	-	(179,686)
Interest and Other Fiscal Charges	(113,451)	-	(113,451)
	<u>(421,016)</u>	<u>-</u>	<u>(421,016)</u>
Total Non-Operating Receipts (Disbursements)			
Net Cash Receipts Over Cash Disbursements Before Advances	90,129	225	90,354
Advances-Out	(50,000)	-	(50,000)
Net Change in Fund Cash Balances	40,129	225	40,354
Fund Cash Balances, January 1	<u>1,717,589</u>	<u>18,521</u>	<u>1,736,110</u>
Fund Cash Balances, December 31	<u>\$ 1,757,718</u>	<u>\$ 18,746</u>	<u>\$ 1,776,464</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity

The Village of Greenfield (the “Village”) was organized in 1941 as a municipal corporation under the laws of the State of Ohio. The Village was recognized by the State of Ohio as a Village after the 2010 federal census. The Village had been previously recognized as a City since the 1960 census.

The Village operates under a City Manager form of government as voted on by its citizens, and provides the following services as authorized by state and local law: Water and sewer utilities, police services, cemetery operation, public service, public safety, health, recreation and development.

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

Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. 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 formerly prescribed or permitted by the Auditor of State.

Deposits and Investments

The Village Finance Director invests all available funds of the Village. Village funds are invested in “Super Now” checking accounts with local commercial banks. The Village pools its cash for investment purpose to capture the highest rate of return. Investment income is distributed to Village funds based upon the Ohio Constitution.

Fund Accounting

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Funds

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds – These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Cemetery Fund – This fund receives proceeds from burial fees and sale of lots and cornerstones for the maintenance and upkeep of the cemetery operated by the Village.

Law Enforcement Income Tax Fund – This fund accounts for income tax monies received to assist in paying law enforcement costs of the Village.

Parks Fund – This fund accounts for income tax monies received to maintain the parks within the Village.

Police Pension Fund – This fund is used to account for proceeds from property taxes for pension retirement payments for police department personnel.

Capital Projects Funds – These funds account for the acquisition or construction of major capital facilities and capital improvements other than those financed by Proprietary Funds. They include projects financed by notes. The Village had the following significant Capital Projects Fund:

City Hall Capital Improvement Fund – This fund receives income tax, grants, lease payments and proceeds from debt to renovate the Village Building.

Permanent Fund – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs.

Cemetery Trust – This fund is used to account for interest earned on a certain amount of principal and spent for the upkeep of graves and lots.

Fiduciary Funds

Private Purpose Trust Funds – Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village's private purpose trust funds are used to purchase flowers for specific grave sites.

Proprietary Funds

Enterprise Funds – These funds account for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods and services will be recovered through user charges. The Village had the following significant Enterprise funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Railroad Fund – This fund receives charges for services from users of the railroad lines to cover the cost of providing services. This fund also receives grants and loans (line of credit) to assist in making improvements to the railroad lines and associated infrastructure.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds are legally required to be budgeted and appropriated. For all funds, Council appropriations are budgeted for fund, departmental and functional level. Any budgetary modifications at these levels may only be made by ordinance of the members of Council. The Village follows these procedures in establishing the budgetary data reported in the combined financial statements.

Budget – A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 the following year.

Estimated Resources – The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in Note 9 do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations – A temporary appropriation measure to control cash disbursements may be passed on or about January 1 each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances – The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

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:

1. Non-spendable

The Village classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance (Cont'd)

3. 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.

4. 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 the Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. 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.

Property, Plant and Equipment

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

Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH

The Village maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amounts of deposits at December 31, 2018 are as follows:

	2018
Demand Deposits	\$ 2,686,704
Petty Cash	450
Total Deposits	\$ 2,687,154

Deposits

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2018 consisted of the following:

	2018 Principal Outstanding	Interest
Ohio Water Development		
Authority Loans	\$ 4,066,515	1.00-3.95%
Ohio Public Works		
Commission Loans	520,338	0.00%
Bank Loans	56,458	3.95%
Total Debt	\$ 4,643,311	

The Ohio Water Development Authority (OWDA) loans #4677, 4882, 5482, and 5938 are for utility construction projects. Property and revenue of the utility facilities have been pledged to repay these debts.

The Ohio Public Works Commission (OPWC) loans are for Issue II money borrowed for the North/N. Eighth Street Waterline Replacement project and the Phase I Wastewater Treatment Plant Improvements.

In 2018, the Village acquired a five-year loan to purchase two police cruisers. The loan amount was \$56,458 at an interest rate of 3.95%. The debt will be paid in full in fiscal year 2023.

The annual requirement to amortize all bonded debt and long-term loans outstanding as of December 31, 2018, including interest payments of \$1,294,441 are as follows:

Year Ending 12/31	OWDA Loans	OPWC Loans	Bank Loans	Total (Memorandum Only)
2019	\$ 256,952	\$ 36,185	\$ 12,664	\$ 305,801
2020	256,952	36,185	12,664	305,801
2021	256,952	36,185	12,664	305,801
2022	256,952	36,185	12,664	305,801
2023	256,952	36,185	12,665	305,802
2024-2028	1,284,760	180,925	-	1,465,685
2029-2033	1,256,584	105,920	-	1,362,504
2034-2038	1,195,193	30,920	-	1,226,113
2039-2042	332,796	21,648	-	354,444
Total	\$ 5,354,093	\$ 520,338	\$ 63,321	\$ 5,937,752

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

4. PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.625 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.

6. RETIREMENT SYSTEM

Ohio Public Employees Retirement System

The Village's 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

7. 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.

8. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Cyber liability;
- Vehicles; and
- Errors and omissions

9. BUDGETARY ACTIVITY

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

2018 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,070,719	\$ 1,181,111	\$ 110,392
Special Revenue	850,143	847,406	(2,737)
Capital Projects	103,428	109,251	5,823
Permanent	2,500	-	(2,500)
Enterprise	1,855,000	1,843,442	(11,558)
Private Purpose Trust Fund	-	225	225
Total	\$ 3,881,790	\$ 3,981,435	\$ 99,645

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

9. BUDGETARY ACTIVITY (CONT'D)

2018 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,093,516	\$ 1,175,167	\$ (81,651)
Special Revenue	1,133,935	826,641	307,294
Capital Projects	138,075	23,815	114,260
Enterprise	3,070,000	1,890,148	1,179,852
Total	<u>\$ 5,435,526</u>	<u>\$ 3,915,771</u>	<u>\$ 1,519,755</u>

10. CONTINGENT LIABILITIES

At December 31, 2018, there was no litigation outstanding that in management's opinion would have a significant effect on the accompanying financial statements.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

11. FUND BALANCES

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the governmental funds are presented below:

Fund Balances	General Fund	Special Revenue	Capital Projects	Permanent	Total
<u><i>Nonspendable</i></u>					
Cemetery Trust	\$ -	\$ -	\$ -	\$ 8,606	\$ 8,606
<i>Total Nonspendable</i>	-	-	-	8,606	8,606
<u><i>Restricted for</i></u>					
Street Improvements	-	269,978	-	-	269,978
Cemetery Maintenance	-	83,633	-	-	83,633
Park Maintenance	-	52,114	-	-	52,114
Law Enforcement Income Tax	-	84,798	-	-	84,798
Other Purposes	-	18,181	-	-	18,181
<i>Total Restricted</i>	-	508,704	-	-	508,704
<u><i>Committed to</i></u>					
Cable Franchise	47,904	-	-	-	47,904
Cemetery Improvements	-	-	37,904	-	37,904
City Hall Improvements	-	-	108,474	-	108,474
<i>Total Committed</i>	47,904	-	146,378	-	194,282
<u><i>Assigned to</i></u>					
Appropriated	40,049	-	-	-	40,049
Other Purposes	4,758	-	-	-	4,758
<i>Total Assigned</i>	44,807	-	-	-	44,807
<u><i>Unassigned</i></u>					
	154,291	-	-	-	154,291
<i>Total Fund Balances</i>	<u>\$ 247,002</u>	<u>\$ 508,704</u>	<u>\$ 146,378</u>	<u>\$ 8,606</u>	<u>\$ 910,690</u>

12. 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 ensuing emergency measures will 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.

The investments of the pension and other employee benefit plan in which the Village participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

13. COMPLIANCE

The Village had expenditures in excess of appropriations in the General Fund at December 31, 2018.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Village Council
Village of Greenfield
P.O. Box 300
Greenfield, Ohio 45123

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 Village of Greenfield, Highland 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 September 2, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 entity'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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

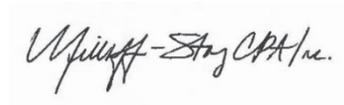
As part of obtaining reasonable assurance about whether the Village’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003.

Village’s Responses to Findings

The Village’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The 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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

September 2, 2020

**Village of Greenfield
Highland County**
*Schedule of Findings and Responses
For the Years Ended December 31, 2019 and 2018*

Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

Finding Number 2019-001

Material Weakness – Financial Reporting

A monitoring system by the Village should be in place to prevent or detect misstatements for the accurate presentation of the Village's financial statements. During testing, we found various misclassifications in receipts, disbursements, and fund balances. We found that the law enforcement and recycling grants were improperly classified as miscellaneous revenue; liquor permits were classified as fines, licenses, and permits; homestead and rollback state subsidies were classified as special assessments; certain water and sewer receipts were classified as miscellaneous revenue; cable franchise fees were classified as charges for services; forfeiture grant proceeds were classified as a sale of fixed asset; payments to utility providers were classified as basic utility services; street lighting expenses were classified as general government in 2019 and as basic utility services in 2018; fund balance assignments were improperly computed; and fund balance commitments were improperly computed for 2018. The Village should implement additional monitoring procedures to ensure receipts, disbursements, and fund balances are properly presented.

Client Response:

Village officials chose not to respond.

Finding Number 2019-002

Noncompliance – Expenditures in Excess of Appropriations

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. During testing, we found instances of expenditures in excess of appropriations. In 2019, the Mill Street Capital Projects Fund was noncompliant by a material amount, and in 2018, the General Fund was noncompliant by a material amount. We also noted that in 2019, the Law Enforcement Trust Special Revenue Fund was noncompliant by an immaterial amount. Failure to properly monitor budget to actual information could result in overspending and negative fund balances. The Village should implement additional monitoring procedures, such as periodic comparison of expenditures to appropriations and confirm that budgetary amendments are timely filed with the County, to ensure that the Village is in compliance with the Ohio Revised Code. If additional appropriations are needed and the Village has resources available for additional appropriation, Village Council should adopt modifications to appropriations.

Client Response:

Village officials chose not to respond.

**Village of Greenfield
Highland County**
*Schedule of Findings and Responses
For the Years Ended December 31, 2019 and 2018*

Finding Number 2019-003

Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. It further states that no appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. During testing, we found instances of appropriations in excess of estimated resources. In 2019, the City Hall Improvement Capital Projects Fund was noncompliant by a material amount. For 2019, the State Highway, HUD Rehab Loan, and Permissive MVL Special Revenue Funds were noncompliant by immaterial amounts, and for 2018, the State Highway and Park Special Revenue Funds and City Hall Improvement Capital Projects Fund were noncompliant by immaterial amounts. We found that these issues were primarily the result of the Village failing to file appropriation modifications with the County Auditor. The Finance Director should compare estimated resources to appropriations on a monthly basis to ensure that appropriations are limited to estimated resources. Furthermore, the Clerk of Council should ensure that all budgetary modifications that are adopted by the Village Council are filed timely with the County Auditor to ensure that modifications are deemed in effect per the Ohio Revised Code.

Client Response:

Village officials chose not to respond.

Village of Greenfield
Highland County
Schedule of Prior Audit Findings
For the Years Ended December 31, 2019 and 2018

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2017-001	Material Weakness – Financial Reporting	No	Reissued as finding 2019-001

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GREENFIELD

HIGHLAND 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

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