



Dave Yost • Auditor of State

VILLAGE OF GREENFIELD
HIGHLAND COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Greenfield
Highland County
300 Jefferson Street
Greenfield, Ohio 45123

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Village of Greenfield, Highland County, Ohio (the Village) as of and for the years ended December 31, 2017 and 2016.

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, 2017 and 2016, and the respective changes in financial position 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 Village of Greenfield, Highland County as of December 31, 2017 and 2016, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2018, 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.



Dave Yost
Auditor of State

Columbus, Ohio

November 20, 2018

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, 2017

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Local Taxes	\$ 80,114	\$ 11,445	\$ -	\$ -	\$ 91,559
Municipal Income Tax	634,120	554,858	99,081	-	1,288,059
Intergovernmental	99,166	169,424	-	-	268,590
Special Assessments	1,864	-	-	-	1,864
Charges for Services	44,832	74,286	-	-	119,118
Fines, Licenses, and Permits	59,199	2,025	-	-	61,224
Earnings on Investments	10,841	1,151	354	-	12,346
Miscellaneous	17,526	37,778	2,350	-	57,654
	<u>947,662</u>	<u>850,967</u>	<u>101,785</u>	<u>-</u>	<u>1,900,414</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Security of Persons & Property	632,433	357,262	-	-	989,695
Public Health Service	11,380	79,565	-	-	90,945
Leisure Time Activities	-	54,277	-	-	54,277
Community Environment	-	128	-	-	128
Basic Utility Services	56,606	-	-	-	56,606
Transportation	-	162,199	-	-	162,199
General Government	394,322	-	-	-	394,322
Capital Outlay	185,578	197,703	14,210	-	397,491
Debt Service:					
Principal Payment	-	-	168,000	-	168,000
Interest and Fiscal Charges	-	-	6,685	-	6,685
	<u>1,280,319</u>	<u>851,134</u>	<u>188,895</u>	<u>-</u>	<u>2,320,348</u>
Total Cash Disbursements					
Excess of Receipts Over (Under) Disbursements	(332,657)	(167)	(87,110)	0	(419,934)
Other Financing Receipts (Disbursements):					
Other Debt Proceeds	-	-	18,000	-	18,000
Sale of Capital Assets	-	4,650	-	-	4,650
Advances-In	150,000	-	-	-	150,000
Other Financing Uses	-	(2,000)	-	-	(2,000)
	<u>150,000</u>	<u>2,650</u>	<u>18,000</u>	<u>-</u>	<u>170,650</u>
Total Other Financing Receipts (Disbursements)					
Net Change in Fund Cash Balances	(182,657)	2,483	(69,110)	0	(249,284)
Fund Cash Balances, January 1	<u>418,957</u>	<u>452,566</u>	<u>130,052</u>	<u>8,606</u>	<u>1,010,181</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	8,606	8,606
Restricted	-	455,049	-	-	455,049
Committed	26,950	-	60,942	-	87,892
Assigned	175,068	-	-	-	175,068
Unassigned	34,282	-	-	-	34,282
Fund Cash Balances, December 31	<u>\$ 236,300</u>	<u>\$ 455,049</u>	<u>\$ 60,942</u>	<u>\$ 8,606</u>	<u>\$ 760,897</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, 2017

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 1,807,626	\$ -	\$ 1,807,626
Earnings on Investments (trust funds only)	-	104	104
Miscellaneous	6,008	-	6,008
	<u>1,813,634</u>	<u>104</u>	<u>1,813,738</u>
Operating Cash Disbursements:			
Personal Services	478,646	-	478,646
Employee Fringe Benefits	200,143	-	200,143
Contractual Services	278,036	-	278,036
Supplies and Materials	185,511	84	185,595
Other	83,517	-	83,517
	<u>1,225,853</u>	<u>84</u>	<u>1,225,937</u>
Operating Income (Loss)	587,781	20	587,801
Non-Operating Receipts (Disbursements):			
Capital Outlay	(361,320)	-	(361,320)
Principal	(175,993)	-	(175,993)
Interest and Other Fiscal Charges	(117,145)	-	(117,145)
	<u>(654,458)</u>	<u>-</u>	<u>(654,458)</u>
Net Cash Receipts Over Cash Disbursements Before Advances	(66,677)	20	(66,657)
Advances-Out	(150,000)	-	(150,000)
Net Change in Fund Cash Balances	(216,677)	20	(216,657)
Fund Cash Balances, January 1	1,934,266	18,501	1,952,767
Fund Cash Balances, December 31	<u>\$ 1,717,589</u>	<u>\$ 18,521</u>	<u>\$ 1,736,110</u>

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

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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
DECEMBER 31, 2017**

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.

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 Funds:

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
DECEMBER 31, 2017**

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 10 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
DECEMBER 31, 2017**

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, 2017 are as follows:

	2017
Demand Deposits	\$ 2,496,557
Petty Cash	450
Total Deposits	\$ 2,497,007

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
DECEMBER 31, 2017**

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2017 consisted of the following:

	2017 Principal Outstanding	Interest
Long Term Debt:		
Ohio Water Development Authority Loans	4,210,017	1.00 - 3.95%
Ohio Public Works Commission Loans	556,522	0.00%
Total Long Term Debt	<u>\$ 4,766,539</u>	

In 2016 Bond anticipation notes were re-issued in anticipation of bonds of which proceeds were used for the renovation of the Village Building that houses various departments of the Village and Highland County Court. The outstanding balance of \$150,000 was paid off in fiscal year 2017.

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 2017, the Village acquired a 180-day note to pay off the bond note. The loan amount was \$18,000 at an interest rate of 3.95%. The debt was paid in full in fiscal year 2017.

The annual requirement to amortize all bonded debt and long-term loans outstanding as of December 31, 2017, including interest payments of \$1,417,460 are as follows:

Year Ending 12/31	OWDA Loans	OPWC Loans	Total (Memorandum Only)
2018	\$ 256,952	\$ 36,185	\$ 293,137
2019	256,952	36,185	293,137
2020	256,952	36,185	293,137
2021	256,952	36,185	293,137
2022	256,952	36,185	293,137
2023-2027	1,284,760	180,925	1,465,685
2028-2032	1,264,633	135,920	1,400,553
2033-2037	1,244,505	30,920	1,275,425
2038-2042	548,819	27,832	576,651
Total	<u>\$ 5,627,477</u>	<u>\$ 556,522</u>	<u>\$ 6,183,999</u>

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

4. PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 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. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

7. RETIREMENT SYSTEM

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement Systems (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2017, OP&F plan members were required to contribute 12.25% of their annual covered salary. For 2017, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2017, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

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. OPERS contributes 1 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. STATE AND FEDERAL GRANTS

The state and federal financial assistance grants are audited by either the Auditor of State of Ohio or an Independent Public Accountant, as part of their regular audit. Any instances of noncompliance with state and/or federal grant requirements and/or laws and regulations, if any, would be disclosed separately.

10. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2017 was as follows:

2017 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,271,757	\$ 1,097,662	\$ (174,095)
Special Revenue	852,526	855,617	3,091
Debt Service	75,000	-	(75,000)
Capital Projects	117,000	119,785	2,785
Permanent	2,800	-	(2,800)
Enterprise	1,867,791	1,813,634	(54,157)
Private Purpose Trust Fund	-	104	104
Total	\$ 4,186,874	\$ 3,886,802	\$ (300,072)

2017 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Actual Disbursements	Variance
General	\$ 1,354,758	\$ 1,280,319	\$ 74,439
Special Revenue	948,579	853,134	95,445
Debt Service	-	-	-
Capital Projects	233,564	188,895	44,669
Permanent	78,000	-	78,000
Enterprise	2,661,925	2,030,311	631,614
Private Purpose Trust Fund	-	84	(84)
Total	\$ 5,276,826	\$ 4,352,743	\$ 924,083

The amount of encumbrances for the General Fund and Special Revenue Funds as of December 31, 2017 were \$8,410 and \$479, respectively. The Enterprise Fund had encumbrances of \$36,688 as of December 31, 2017.

11. CONTINGENT LIABILITIES

At December 31, 2017, 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
DECEMBER 31, 2017**

12. 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	Debt Service	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	-	236,412	-	-	-	236,412
Cemetery Maintenance	-	99,717	-	-	-	99,717
Park Maintenance	-	33,641	-	-	-	33,641
Law Enforcement Income Tax	-	61,396	-	-	-	61,396
Other Purposes	-	23,883	-	-	-	23,883
<i>Total Restricted</i>	-	455,049	-	-	-	455,049
<u><i>Committed to</i></u>						
Cable Franchise	26,950	-	-	-	-	26,950
Cemetery Improvements	-	-	-	35,210	-	35,210
City Hall Improvements	-	-	-	25,732	-	25,732
<i>Total Committed</i>	26,950	-	-	60,942	-	87,892
<u><i>Assigned to</i></u>						
Appropriated	166,658	-	-	-	-	166,658
Other Purposes	8,410	-	-	-	-	8,410
<i>Total Assigned</i>	175,068	-	-	-	-	175,068
<u><i>Unassigned</i></u>						
	34,282	-	-	-	-	34,282
<i>Total Fund Balances</i>	<u>\$ 236,300</u>	<u>\$ 455,049</u>	<u>\$ -</u>	<u>\$ 60,942</u>	<u>\$ 8,606</u>	<u>\$ 760,897</u>

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, 2016

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Local Taxes	\$ 77,049	\$ 11,008	\$ -	\$ -	\$ 88,057
Municipal Income Tax	657,446	575,264	102,729	-	1,335,439
Intergovernmental	107,820	172,102	-	-	279,922
Special Assessments	2,333	-	-	-	2,333
Charges for Services	45,975	73,683	-	-	119,658
Fines, Licenses, and Permits	53,746	8,029	75	-	61,850
Earnings on Investments	6,535	591	330	-	7,456
Miscellaneous	15,204	6,110	2,143	-	23,457
Total Cash Receipts	966,108	846,787	105,277	0	1,918,172
Cash Disbursements:					
Current:					
Security of Persons & Property	462,462	432,440	-	-	894,902
Public Health Service	7,338	68,737	-	-	76,075
Leisure Time Activities	-	54,322	-	-	54,322
Community Environment	-	128	-	-	128
Basic Utility Services	71,752	-	-	-	71,752
Transportation	-	138,803	75	-	138,878
General Government	358,395	-	-	-	358,395
Capital Outlay	38,470	54,880	-	-	93,350
Debt Service					
Principal Payment	-	23,723	237,500	-	261,223
Interest and Fiscal Charges	-	1,103	6,495	-	7,598
Total Cash Disbursements	938,417	774,136	244,070	0	1,956,623
Excess of Receipts Over (Under) Disbursements	27,691	72,651	(138,793)	0	(38,451)
Other Financing Receipts (Disbursements):					
Sale of Notes	-	-	150,000	-	150,000
Other Debt Proceeds	-	-	4,400	-	4,400
Other Financing Uses	-	-	(4,400)	-	(4,400)
Total Other Financing Receipts (Disbursements)	-	-	150,000	-	150,000
Net Change in Fund Cash Balances	27,691	72,651	11,207	0	111,549
Fund Cash Balances, January 1	391,266	379,915	118,845	8,606	898,632
Fund Cash Balances, December 31					
Nonspendable	-	-	-	8,606	8,606
Restricted	-	452,566	-	-	452,566
Committed	27,178	-	130,052	-	157,230
Assigned	69,322	-	-	-	69,322
Unassigned	322,457	-	-	-	322,457
Fund Cash Balances, December 31	\$ 418,957	\$ 452,566	\$ 130,052	\$ 8,606	\$ 1,010,181

See accompanying notes to the basic financial statements.

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, 2016

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 1,820,581	\$ -	\$ 1,820,581
Earnings on Investments (Trust Funds only)	-	62	62
Miscellaneous	29,741	-	29,741
	<u>1,850,322</u>	<u>62</u>	<u>1,850,384</u>
Operating Cash Disbursements:			
Personal services	506,055	-	506,055
Fringe benefits	227,289	-	227,289
Contractual services	250,538	-	250,538
Supplies and Materials	252,749	84	252,833
Other	35,341	-	35,341
	<u>1,271,972</u>	<u>84</u>	<u>1,272,056</u>
Operating Income (Loss)	578,350	(22)	578,328
Non-Operating Receipts (Disbursements):			
Intergovernmental	606,575	-	606,575
Capital outlay	(1,029,221)	-	(1,029,221)
Principal Retirement	(172,414)	-	(172,414)
Interest and Other Fiscal Charges	(120,723)	-	(120,723)
	<u>(715,783)</u>	<u>-</u>	<u>(715,783)</u>
Net Change in Fund Cash Balances	(137,433)	(22)	(137,455)
Fund Cash Balances, January 1	<u>2,071,699</u>	<u>18,523</u>	<u>2,090,222</u>
Fund Cash Balances, December 31	<u>\$ 1,934,266</u>	<u>\$ 18,501</u>	<u>\$ 1,952,767</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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
DECEMBER 31, 2016**

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.

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 Funds:

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
DECEMBER 31, 2016**

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
DECEMBER 31, 2016**

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 amount of deposits at December 31, 2016 are as follows:

	2016
Demand Deposits	\$ 2,962,498
Petty Cash	450
Total Deposits	\$ 2,962,948

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
DECEMBER 31, 2016**

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2016 consisted of the following:

	2016 Principal Outstanding	Interest
Bond Anticipation Notes	\$ 150,000	2.25%
Total Short Term Debt	<u>\$ 150,000</u>	
Long Term Debt:		
Ohio Water Development Authority Loans	4,349,825	1.00 - 3.95%
Ohio Public Works Commission Loans	592,707	0.00%
Total Long Term Debt	<u>\$ 4,942,532</u>	

Bond anticipation notes were re-issued in anticipation of bonds of which proceeds were used for the renovation of the Village Building that houses various departments of the Village and Highland County Court.

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 2011, the Village acquired a dump truck through the use of a capital lease purchase agreement. The original lease amount was \$120,441 at an interest rate of 4.69%. This lease was paid off in fiscal year 2016.

The annual requirement to amortize all bonded debt and long-term loans outstanding as of December 31, 2016, including interest payments of \$1,518,168 are as follows:

Ending 12/31	OWDA Loans	OPWC Loans	(Memorandum Only)
2017	\$ 128,477	\$ 18,092	\$ 146,569
2018	256,952	36,185	293,137
2019	256,952	36,185	293,137
2020	256,952	36,185	293,137
2021	256,952	36,185	293,137
2022-2026	1,284,760	180,925	1,465,685
2027-2031	1,276,709	180,920	1,457,629
2032-2036	1,244,505	30,925	1,275,430
2037-2041	810,649	30,920	841,569
2042	95,084	6,186	101,270
Total	<u>\$ 5,867,992</u>	<u>\$ 592,708</u>	<u>\$ 6,460,700</u>

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

4. PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 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. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

7. RETIREMENT SYSTEM

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement Systems (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016, OP&F plan members were required to contribute 12.25% of their annual covered salary. For 2016, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2016, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

9. STATE AND FEDERAL GRANTS

The state and federal financial assistance grants are audited by either the Auditor of State of Ohio or an Independent Public Accountant, as part of their regular audit. Any instances of noncompliance with state and/or federal grant requirements and/or laws and regulations, if any, would be disclosed separately.

10. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2016 was as follows:

2016 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,422,459	\$ 966,108	\$ (456,351)
Special Revenue	438,436	846,787	408,351
Capital Projects	300,407	259,677	(40,730)
Permanent	2,729	-	(2,729)
Enterprise	2,528,884	2,456,897	(71,987)
Private Purpose Trust Fund	-	62	62
Total	\$ 4,692,915	\$ 4,529,531	\$ (163,384)

2016 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Disbursements</u>	<u>Variance</u>
General	\$ 1,473,688	\$ 938,417	\$ 535,271
Special Revenue	488,664	774,136	(285,472)
Capital Projects	292,000	248,470	43,530
Permanent	76,000	-	76,000
Enterprise	3,673,043	2,594,330	1,078,713
Private Purpose Trust Fund	-	84	(84)
Total	\$ 6,003,395	\$ 4,555,437	\$ 1,447,958

The amount of encumbrances for the General Fund and Special Revenue Funds as of December 31, 2016 were \$69,322 and \$20,534, respectively. The Enterprise Fund had encumbrances of \$131,630 as of December 31, 2016.

11. CONTINGENT LIABILITIES

At December 31, 2016, 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
DECEMBER 31, 2016**

12. 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	Debt Service	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	-	248,667	-	-	-	248,667
Cemetery Maintenance	-	113,199	-	-	-	113,199
Park Maintenance	-	61,756	-	-	-	61,756
Other Purposes	-	28,944	-	-	-	28,944
<i>Total Restricted</i>	-	452,566	-	-	-	452,566
<u><i>Committed to</i></u>						
Cable Franchise	27,178	-	-	-	-	27,178
Cemetery Improvements	-	-	-	32,666	-	32,666
City Hall Improvements	-	-	-	97,386	-	97,386
<i>Total Committed</i>	27,178	-	-	130,052	-	157,230
<u><i>Assigned to</i></u>						
Other Purposes	69,322	-	-	-	-	69,322
<i>Total Assigned</i>	69,322	-	-	-	-	69,322
<u><i>Unassigned</i></u>						
	322,457	-	-	-	-	322,457
<i>Total Fund Balances</i>	<u>\$ 418,957</u>	<u>\$ 452,566</u>	<u>\$ -</u>	<u>\$ 130,052</u>	<u>\$ 8,606</u>	<u>\$ 1,010,181</u>

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

13. GREENFIELD RAIL IMPROVEMENT PROJECT

During fiscal year 2012, the Greenfield Rail Improvement project was approved. The Economic Development Administration (EDA) awarded the Village a grant in the amount of \$2,625,788 with a required match of 30% by the Village. The total estimated cost of this project is \$3,751,125. The final closeout payment for this project was received in December 2016.

The Village has received or will be receiving the following grant awards and contributions from grantors and local contributors:

<u>Grantor / Contributor</u>	<u>Award/Contribution</u>
Ohio Development Services Agency - ODOD	\$ 500,000
Ohio Development Services Agency	205,000
Ohio Development Services Agency - CDBG	494,000
Ohio Rail Development Commission	78,000
Highland County Engineer	23,000
Highland County Commissioners	10,000
Village of Leesburg	10,000
Candle-Lite (shipper)	3,500
Huhtamaki (shipper)	3,500

An additional grant in the amount of \$78,000 was awarded to the Village from the Ohio Department of Transportation, Jobs & Commerce Office. The Village used this grant for engineering related expenses. These amounts will be used to help meet the Village's required local match for the Greenfield Rail Improvement project.

An additional \$200,000 grant was awarded to the Village from the Ohio Rail Development Commission for an emergency bridge repair which was separate from the original project.

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Dave Yost • Auditor of State

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

Village of Greenfield
Highland County
300 Jefferson Street
Greenfield, Ohio 45123

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Greenfield, Highland County, (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated November 20, 2018, 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.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

Compliance and Other Matters

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

Entity's Response to Findings

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Dave Yost
Auditor of State

Columbus, Ohio

November 20, 2018

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

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

FINDING NUMBER 2017-001

MATERIAL WEAKNESS

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

The Village lacked controls to ensure that transactions were posted accurately. We identified the following 2017 and 2016 posting errors:

2017					
<i>Transaction as Posted (incorrect)</i>			<i>Correct Transaction Posting</i>		
Fund	Account	Amount	Fund	Account	Amount
General (101/150)	Charges Services for	\$53,349	General (101/150)	Fines, Licenses and Permits	\$51,485
				Special Assessments	\$1,864
Cable Franchise Fees and Special Assessment receipts were recorded as Charges for Services and should have been recorded as Fines, Licenses and Permits and Special Assessments.					
Park Fund (204)	Intergovernmental	\$31,538	Park Fund (204)	Miscellaneous	\$31,538
Bureau of Workers Comp, and Miscellaneous receipts were recorded as Intergovernmental and should be recorded as Miscellaneous receipts.					
General (101/150)	Unassigned Fund Balance	\$166,658	General (101/150)	Assigned Fund Balance	\$166,658
Amounts appropriated that exceed the amount estimated on the Amended Official Certificate of Estimated Resources, for 2018. See Auditor of State bulletin 2011-004.					

**FINDING NUMBER 2017-001
 (Continued)**

2016					
<i>Transaction as Posted (incorrect)</i>			<i>Correct Transaction Posting</i>		
Fund	Account	Amount	Fund	Account	Amount
General (101/150)	Charges for Services	\$46,266	General (101/150)	Fines, Licenses and Permits	\$43,933
				Special Assessments	\$2,333
Cable Franchise Fees and Special Assessment receipts were recorded as Charges for Services and should have been recorded as Fines, Licenses and Permits and Special Assessments.					
Debt Service (302)	Sale of Notes	\$150,000	City Hall Capital Improvement (400)	Sale of Notes	\$150,000
	Principal Payments	\$150,000		Principal Payment	\$150,000
City Hall Capital Improvement (400)	Not Posted		City Hall Capital Improvement (400)	Bond Premiums – Other Debt Proceeds	\$4,400
				Debt Issuance Cost – Other Uses	\$4,400
The Village issued Bond Anticipation Notes. The Sources and Uses Statement requires the funds to be placed into the Project Construction Fund. The Village recorded the above revenues and expenditures in the Debt Service Fund. In addition, the Village did not record the revenue generated from the premium or bond issuance costs that were recorded on the sources and uses statement.					

Failure to accurately post and report receipt and expenditure transactions could result in material errors in the Village's financial statements and reduces the ability of Council to monitor financial activity and to make sound decisions which affect the overall available cash position of the Village.

The Village has corrected the financial statements to address these posting errors.

Village officials should review the chart of accounts to assure that items are being posted to the proper account codes and funds.

Officials' Response:

We will continue to make advancements in our internal control procedures. All recommendations for adjustments to financial statements have been or are in the process of being completed.

Village of Greenfield
 300 Jefferson Street
 Greenfield, Ohio 45123

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 December 31, 2017

Finding Number	Finding Summary	Status	Additional Information
2015-001	ORC 5705.09 – special fund(s) required for each class of revenues. ORC 5705.10 – revenue required to be paid into the general fund.	Fully Corrected	
2015-002	Maintenance of an accounting system and records for transactions to be properly posted.	Repeat in current year report as 2017-001.	
2015-003	2 CFR 200.510(b) – no Schedule of Expenditures of Federal Awards was prepared.	Fully Corrected	
2015-004	15 CFS 24.22 (a)(1) and (b) – grant funds must be used for an allowable cost. 2 CFR Part 225 Appendix A, subpart C(1)(j) – federal expenditures are to be adequately documented to ensure compliance.	Fully Corrected	
2015-005	15 CFR 24.21(a) payments are to be made to grantees then from grantees to subgrantees and contractors. 15 CFR 24.21(d) State reimbursement methods to be used.	Fully Corrected	
2015-006	15 CFR 24.24(a)(1) and (2) – value of third party in-kind contributions to which cost sharing or matching requirement apply EDA Standard Terms and Conditions Section B(3)(b) – matching share must be paid out at the same rate as the federal share.	Fully Corrected	

2015-007	15 CFR 24.41(a)(1) – use of State forms for monitoring. EDA Standard Terms and Conditions Section A(.01) – submission of form SF-425 semi-annually.	Fully Corrected	
2015-008	24 CFR 85.20(b)(1), (2) and (5) – maintenance of complete and accurate records for awards. Funds to be spend on pro-rata basis with other funds used for a project.	Fully Corrected	



Dave Yost • Auditor of State

VILLAGE OF GREENFIELD

HIGHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 11, 2018**