



OHIO AUDITOR OF STATE
KEITH FABER

**VILLAGE OF GREENWICH
HURON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Greenwich, Huron County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Village of Greenwich
Huron County
Independent Auditor's Report
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- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2024

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Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$154,204	\$52,893	\$207,097
Municipal Income Tax	330,796		330,796
Intergovernmental	78,561	100,050	178,611
Charges for Services		958	958
Fines, Licenses and Permits	19,966		19,966
Earnings on Investments	37,354	115	37,469
Miscellaneous	<u>34,983</u>	<u>73,337</u>	<u>108,320</u>
<i>Total Cash Receipts</i>	<u>655,864</u>	<u>227,353</u>	<u>883,217</u>
Cash Disbursements			
Current:			
Security of Persons and Property	367,788		367,788
Public Health Services		24,633	24,633
Leisure Time Activities		27,938	27,938
Community Environment	3,711		3,711
Transportation		112,060	112,060
General Government	181,858	2,287	184,145
Capital Outlay		123,265	123,265
Debt Service:			
Principal Retirement		<u>28,278</u>	<u>28,278</u>
<i>Total Cash Disbursements</i>	<u>553,357</u>	<u>318,461</u>	<u>871,818</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>102,507</u>	<u>(91,108)</u>	<u>11,399</u>
Other Financing Receipts (Disbursements)			
Transfers In		71,165	71,165
Transfers Out	<u>(71,165)</u>		<u>(71,165)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(71,165)</u>	<u>71,165</u>	<u></u>
<i>Net Change in Fund Cash Balances</i>	<u>31,342</u>	<u>(19,943)</u>	<u>11,399</u>
<i>Fund Cash Balances, January 1</i>	<u>67,104</u>	<u>437,675</u>	<u>504,779</u>
<i>Fund Cash Balances, December 31</i>	<u>\$98,446</u>	<u>\$417,732</u>	<u>\$516,178</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,252,483
Miscellaneous	<u>5,993</u>
<i>Total Operating Cash Receipts</i>	<u>2,258,476</u>
Operating Cash Disbursements	
Personal Services	264,811
Employee Fringe Benefits	148,724
Contractual Services	1,262,413
Supplies and Materials	<u>159,351</u>
<i>Total Operating Cash Disbursements</i>	<u>1,835,299</u>
<i>Operating Income</i>	<u>423,177</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	2,379,102
Capital Outlay	(2,999,138)
Excise Tax Payment - Electric	(34,595)
Principal Retirement	(129,932)
Other Financing Uses	<u>(660)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(785,223)</u>
<i>Net Change in Fund Cash Balances</i>	(362,046)
<i>Fund Cash Balances, January 1</i>	<u>2,513,906</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,151,860</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Custodial
	Other Custodial
Additions	
Other Amounts Collected for Distribution	<u>\$7,720</u>
Deductions	
Distributions on Behalf of Employees	<u>6,824</u>
<i>Net Change in Fund Cash Balances</i>	<u>896</u>
<i>Fund Cash Balances, January 1</i>	60
<i>Fund Cash Balances, December 31</i>	<u><u>\$956</u></u>

See accompanying notes to the financial statements

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

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

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Sewer Improvement Fund The Sewer Improvement Fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Village did not have any trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for flexible spending and supplemental insurance.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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

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

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

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$707,379	\$655,864	(\$51,515)
Special Revenue	201,469	298,518	97,049
Enterprise	4,275,398	4,637,578	362,180
Total	\$5,184,246	\$5,591,960	\$407,714

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$713,903	\$628,921	\$84,982
Special Revenue	637,689	319,191	318,498
Enterprise	6,782,233	5,005,318	1,776,915
Total	\$8,133,825	\$5,953,430	\$2,180,395

Note 4 - Deposits

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

		2023
<i>Cash Management Pool (the Pool):</i>		
Demand deposits		\$1,781,872
Certificates of deposits		290,851
Other time deposits (savings and NOW accounts)		596,271
<i>Total carrying amount of deposits held in the Pool</i>		\$2,668,994

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village is holding \$10,822 in unremitted employee payroll withholdings.

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

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 - Taxes

Property Taxes

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

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

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

Income Taxes

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2023, income tax receipts were posted to the General Fund.

Note 6 - Risk Management

Risk Pool Membership

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

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

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

<u>2023</u>	
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 - Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	<u>\$4,439,933</u>	0%
Ohio Public Works Commission Loans	<u>282,656</u>	0%
Total	<u>\$4,722,589</u>	

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

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

OWDA loans CSO Reduction - Phase 3, Combined Sewer Separation Phase E2, and CSO Reduction Project - Phase IV are currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2023 \$100,393, \$2,229,468, and \$251,710, respectively, is outstanding on these loans.

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Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA Loans	OPWC Loans
2024	\$64,198	\$35,199
2025	64,198	25,441
2026	64,198	25,441
2027	64,198	25,441
2028	64,198	23,978
2029-2033	271,822	70,833
2034-2038	188,889	44,671
2039-2043	188,889	15,071
2044-2048	188,889	15,071
2049-2053	188,889	1,510
2054-2058	188,889	
2059-2063	188,889	
2064-2067	132,216	
Total	<u><u>\$1,858,362</u></u>	<u><u>\$282,656</u></u>

Note 10 - Contingent Liabilities

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.

Note 11 - Jointly Governed Organizations

Tri-Community Ambulance District

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

Tri-Community Joint Fire District

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

Village of Greenwich, Ohio
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 - Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	<u><u>\$4,399</u></u>	<u><u>\$730</u></u>	<u><u>\$5,129</u></u>

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

Note 13 - Miscellaneous Receipts

General Fund and Special Revenue Fund Type miscellaneous receipts consisted primarily of insurance settlements.

Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	\$134,705	\$52,490	\$187,195
Municipal Income Tax	211,432		211,432
Intergovernmental	93,441	173,063	266,504
Charges for Services		5,280	5,280
Fines, Licenses and Permits	20,968	75	21,043
Earnings on Investments	2,324	339	2,663
Miscellaneous	<u>14,668</u>	<u>1,657</u>	<u>16,325</u>
<i>Total Cash Receipts</i>	<u>477,538</u>	<u>232,904</u>	<u>710,442</u>
Cash Disbursements			
Current:			
Security of Persons and Property	348,786	805	349,591
Public Health Services		33,363	33,363
Leisure Time Activities		44,813	44,813
Community Environment	3,620		3,620
Basic Utility Services		51,671	51,671
Transportation		84,700	84,700
General Government	163,273	2,462	165,735
Capital Outlay		6,750	6,750
Debt Service:			
Principal Retirement		<u>14,795</u>	<u>14,795</u>
<i>Total Cash Disbursements</i>	<u>515,679</u>	<u>239,359</u>	<u>755,038</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(38,141)</u>	<u>(6,455)</u>	<u>(44,596)</u>
Other Financing Receipts (Disbursements)			
Transfers In	308	50,623	50,931
Transfers Out	<u>(50,623)</u>		<u>(50,623)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(50,315)</u>	<u>50,623</u>	<u>308</u>
<i>Net Change in Fund Cash Balances</i>	<u>(88,456)</u>	<u>44,168</u>	<u>(44,288)</u>
<i>Fund Cash Balances, January 1</i>	<u>155,560</u>	<u>393,507</u>	<u>549,067</u>
<i>Fund Cash Balances, December 31</i>	<u>\$67,104</u>	<u>\$437,675</u>	<u>\$504,779</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Receipts, Disbursements, and
Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2022

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$2,314,063
Miscellaneous	<u>143,733</u>
<i>Total Operating Cash Receipts</i>	<u>2,457,796</u>
Operating Cash Disbursements	
Personal Services	219,372
Employee Fringe Benefits	105,474
Contractual Services	1,550,466
Supplies and Materials	<u>141,113</u>
<i>Total Operating Cash Disbursements</i>	<u>2,016,425</u>
<i>Operating Income</i>	<u>441,371</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	1,863,486
Capital Outlay	(1,591,999)
Principal Retirement	<u>(383,768)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(112,281)</u>
<i>Net Change in Fund Cash Balances</i>	329,090
<i>Fund Cash Balances, January 1</i>	<u>2,184,816</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,513,906</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Combined Statement of Additions, Deductions, and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Custodial
	Other Custodial
Deductions	
Transfers Out	<u>\$308</u>
<i>Net Change in Fund Cash Balances</i>	<u>(308)</u>
<i>Fund Cash Balances, January 1</i>	<u>368</u>
<i>Fund Cash Balances, December 31</i>	<u>\$60</u>

See accompanying notes to the financial statements

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

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

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Coronavirus Local Fiscal Recovery Fund The Coronavirus Local Fiscal Recovery Fund is funded by a federal grant to help pay for infrastructure offered by the federal government through the American Rescue Plan Act.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Sewer Improvement Fund The Sewer Improvement Fund accounts for loan proceeds from the Ohio Water Development Authority restricted to the utility plant expansion. A utility surcharge recorded in this fund will repay this loan.

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Village did not have any trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for monies collected on behalf of and remitted to Huron County Community Library.

Basis of Accounting

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

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

Budgetary Process

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

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

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

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

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$610,347	\$477,846	(\$132,501)
Special Revenue	159,480	283,527	124,047
Enterprise	1,915,600	4,321,282	2,405,682
Total	<u>\$2,685,427</u>	<u>\$5,082,655</u>	<u>\$2,397,228</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$745,784	\$571,092	\$174,692
Special Revenue	630,045	239,554	390,491
Enterprise	4,090,595	3,997,764	92,831
Total	<u>\$5,466,424</u>	<u>\$4,808,410</u>	<u>\$658,014</u>

Note 4 - Deposits

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

	2022
<i>Cash Management Pool (the Pool):</i>	
Demand deposits	\$2,235,549
Certificates of deposits	200,872
Other time deposits (savings and NOW accounts)	582,324
<i>Total carrying amount of deposits held in the Pool</i>	<u>\$3,018,745</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022 the Village is holding \$1,962 in unremitted employee payroll withholdings.

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 - Taxes

Property Taxes

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

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

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

Income Taxes

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2022, income tax receipts were posted to the General Fund.

Note 6 - Risk Management

Risk Pool Membership

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

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

<u>2022</u>	
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$ 15,724,479

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2022. OP&F contributed 0.5% to fund these benefits.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 - Debt

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loans	\$2,170,444	0%
Ohio Public Works Commission Loans	331,253	0%
Total	\$2,501,697	

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

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

OWDA loans CSO Reduction - Phase 3, Combined Sewer Separation Phase E2, and Greenwich CSO Reduction Project - Phase E1 are currently “open” meaning the final disbursements have not yet been made from OWDA; therefore, future debt service requirements have not been finalized and are not presented in the amortization schedule below. As of December 31, 2022 \$30,168, \$327,286, and \$1,571,537, respectively, is outstanding on these loans.

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA Loans	OPWC Loans
2023	\$26,420	\$48,599
2024	26,420	35,199
2025	26,420	25,441
2026	26,420	25,441
2027	26,420	25,441
2028-2032	109,353	84,397
2033-2037		52,071
2038-2042		15,071
2043-2047		15,071
2048-2052		4,522
Total	<u><u>\$241,453</u></u>	<u><u>\$331,253</u></u>

Note 10 - Contingent Liabilities

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.

Note 11 - Jointly Governed Organizations

Tri-Community Ambulance District

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

Tri-Community Joint Fire District

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

Note 12 - Fund Balances

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

Village of Greenwich
Huron County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	<u><u>\$4,790</u></u>	<u><u>\$195</u></u>	<u><u>\$4,985</u></u>

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

Note 13 - Miscellaneous Receipts

Enterprise Fund Type miscellaneous receipts consisted primarily of a meter refund.



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

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

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Greenwich, Huron County, Ohio (the Village), and have issued our report thereon dated December 20, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

Village of Greenwich
Huron County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

Village's Response to Finding

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2024

**VILLAGE OF GREENWITH
HURON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

Material Weakness - Financial Reporting

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

The following errors requiring adjustment to the financial statements and notes to the financial statements were identified:

- In 2023, Special Revenue Fund Type budgeted receipts were increased in the amount of \$43,876 in order to bring the amount reported in the Budgetary Activity note to the financial statements in line with authorized budget amount;
- In 2023, the total carrying value of deposits held in the pool was overstated in the amount of \$3,363,652 in the Deposits note to the financial statements;
- In 2023, the Debt note to the financial statements amortization table did not separately list the amounts by loan type (Ohio Water Development Authority and Ohio Public Works Commission). In addition, the total principal amount to be repaid was overstated by \$1,254,456;
- In 2022, General Fund budgeted receipts and appropriation authority were both increased in the amount of \$194,920 in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with authorized budget amounts;
- In 2022, Special Revenue Fund Type budgeted receipts and appropriation authority were both decreased in the amounts of \$265,199 and \$194,920, respectively, in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with authorized budget amounts;
- In 2022, Sewer Improvement Fund loans issued receipts and capital outlay disbursements were each increased in the amount of \$1,549,534 in order to properly account for the Ohio Water Development Authority and Ohio Public Works Commission activity paid directly to the vendor(s) on behalf of the Village. As part of these adjustments, actual receipts and budgetary expenditures were also increased by the same amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual amounts; and
- In 2022, Sewer Improvement Fund loans issued receipts and principal retirement disbursements were each increased in the amount of \$303,050 in order to properly account for Ohio Water Development Authority debt activity. As part of these adjustments, actual receipts and budgetary expenditures were also increased by the same amount in order to bring the amounts reported in the Budgetary Activity note to the financial statements in line with actual amounts.

These errors were not identified and corrected prior to the Village preparing its financial statements and notes to the financial statements due to deficiencies in the Village's internal controls over financial statement monitoring. The failure to adequately monitor the financial statements and notes to the financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements and notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified misstatements ranging from \$500 to \$211,432 that we have brought to the Village's attention.

**FINDING NUMBER 2023-001
(CONTINUED)**

The Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council to help identify and correct errors and omissions.

Officials' Response:

I Hope Adams, Fiscal Officer, have received the draft report and management letter for the Village of Greenwich and understand the comments and findings and will work harder and take training courses to work harder to correct any problems found.

**VILLAGE OF GREENWICH, STATE OF OHIO
FISCAL OFFICE**

45 Main Street
Greenwich, OH 44837
Phone: (419) 752-2441 ** Fax: (419) 752-1903
www.villageofgreenwich.com



Hope Adams
Fiscal Officer

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Finding was first issued in the 2015 and 2014 audit. Material weakness for errors in financial reporting.	Not corrected and reissued as Finding 2023-001 in this report.	This matter is being repeated due to deficiencies in the Village's internal controls over financial reporting. Fiscal Officer will work harder and take training courses to work harder to correct any problems found.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GREENWICH

HURON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/2/2025

65 East State 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