



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 and related notes of Village of Greenfield, Highland County, (the Village) as of and for the year ended December 31, 2013.

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 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 opinion.

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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be 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 permitted 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, 2013, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Village of Greenfield, Highland County as of December 31, 2013, and its combined cash receipts and disbursements for the year 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 April 6, 2015, 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

April 6, 2015

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Local Taxes	\$ 74,945	\$ 12,103	\$ -	\$ -	\$ -	\$ 87,048
Municipal Income Tax	996,104	153,249	-	95,779	-	1,245,132
Intergovernmental	365,130	348,794	-	-	-	713,924
Charges for Services	62,658	62,440	-	-	13,720	138,818
Fines, Licenses, and Permits	9,574	4,384	-	31,733	-	45,691
Earnings on Investments	10,729	954	-	329	339	12,351
Miscellaneous	6,431	31,399	-	721	-	38,551
Total Cash Receipts	1,525,571	613,323	-	128,562	14,059	2,281,515
Cash Disbursements:						
Current:						
Security of Persons & Property	834,469	13,370	-	-	-	847,839
Public Health Service	7,481	94,060	-	-	85	101,626
Leisure Time Activities	-	28,611	-	-	-	28,611
Community Environment	-	205,019	-	-	-	205,019
Basic Utility Services	52,604	-	-	-	-	52,604
Transportation	-	147,183	-	10,037	-	157,220
General Government	334,348	-	-	-	-	334,348
Capital Outlay	127,623	41,259	-	17,875	-	186,757
Debt Service						
Principal Payment	5,000	23,906	387,500	112,500	-	528,906
Interest and Fiscal Charges	438	4,305	-	13,750	-	18,493
Total Cash Disbursements	1,361,963	557,713	387,500	154,162	85	2,461,423
Total Cash Receipts Over (Under) Cash Disbursements	163,608	55,610	(387,500)	(25,600)	13,974	(179,908)
Other Financing Receipts (Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	-	-	387,500	-	-	387,500
Transfers-Out	(26,830)	-	-	-	-	(26,830)
Other Uses	-	(3,903)	-	-	-	(3,903)
Total Other Financing Receipts (Disbursements)	(26,830)	(3,903)	387,500	-	-	356,767
Net Change in Fund Balances	136,778	51,707	-	(25,600)	13,974	176,859
Fund Cash Balances, January 1	519,642	237,061	-	114,086	57,489	928,278
Fund Cash Balances, December 31						
Nonspendable	-	-	-	-	71,463	71,463
Restricted	-	288,768	-	23,233	-	312,001
Committed	-	-	-	65,253	-	65,253
Assigned	29,054	-	-	-	-	29,054
Unassigned	627,366	-	-	-	-	627,366
Fund Cash Balances, December 31	\$ 656,420	\$ 288,768	\$ -	\$ 88,486	\$ 71,463	\$ 1,105,137

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

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,902,301
Miscellaneous	20,643
	1,922,944
Total Operating Cash Receipts	1,922,944
Operating Cash Disbursements:	
Personal services	468,972
Fringe benefits	199,143
Contractual services	151,470
Supplies and Materials	299,835
Other	12,026
Capital outlay	390,158
	1,521,604
Total Operating Cash Disbursements	1,521,604
Operating Cash Receipts Over Operating Cash Disbursements	401,340
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental	8,000
Other Non-operating Receipts	23,319
Proceeds of OWDA Loan	144,142
Principal	(214,587)
Interest	(135,238)
	(174,364)
Total Non-Operating Cash Receipts (Disbursements)	(174,364)
Net Cash Receipts Over Cash Disbursements	226,976
Transfers-In	26,830
	253,806
Net Change in Fund Cash Balances	253,806
Fund Cash Balances, January 1	1,057,445
	1,311,251
Fund Cash Balances, December 31	\$ 1,311,251
Reserve for Encumbrances, December 31	86,473
	86,473

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, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the 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. The 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:

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:

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Community Development Block Grants Fund – This fund accounts for federal block grant monies received through the Ohio Department of Development and spent for emergency home repair, down payment assistance, rehabilitation of private and rental property, and downtown revitalization.

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:

Village Building Renovation Project Fund – This fund receives income tax, grants, lease payments and proceeds from debt to renovate the Village Building.

Street Paving Project Fund – This fund receives a certain portion of cable franchise fees for various street paving projects.

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.

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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the accompanying financial statements 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:

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Non-spendable

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

2. Restricted

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

3. Committed

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

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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

2. EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

The Village maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2013 are as follows:

	2013
Demand Deposits	\$ 2,415,938
Petty Cash	450
Cemetery Trust	-
Total Deposits	\$ 2,416,388

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

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2013 consisted of the following:

	2013 Principal Outstanding	Interest
Bond Anticipation Notes	\$ 387,500	2.25%
Ohio Water Development Authority Loans	4,748,213	3.62 - 9.48%
Ohio Public Works Commission Loans	701,261	0.00 - 3.00%
USDA Loan	5,000	4.38%
Public Security Note	44,654	4.50%
Dump Truck Capital Lease	68,010	4.69%
Total	\$ 5,954,638	

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. In 2013 the Village received proceeds of loans for OWDA #5938 in the amount of \$144,142. This new loan was issued for Phase II of the utility construction project, as well as, paying off the outstanding balance of OWDA Loan #1603.

The Ohio Public Works Commission (OPWC) loans are for Issue II money borrowed for the Edgewood/McClain sanitary sewer replacement project and the Wastewater Treatment Plant Improvements.

The public security note was issued for the purpose of financing the South Street Water Line Replacement Project for the Village of Greenfield. The original issue was for \$369,233.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

3. DEBT OBLIGATIONS (Continued)

The United States Department of Agriculture (USDA) loan proceeds were used for the purchase of a police vehicle. The Village's General Obligation note's proceeds were for the purchase of a skid loader.

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%.

The annual requirement to amortize all bonded debt and long-term loans outstanding as of December 31, 2013, including interest payments of \$1,835,130 are as follows:

Year Ending 12/31	Bond Anticipation Note	OWDA Loans	OPWC Loans	USDA	Public Security Note	Lease Financing Agreement	Total (Memorandum Only)
2014	\$ 401,250	\$ 288,811	\$ 6,184	\$ 5,219	\$ 44,662	\$ 24,826	\$ 770,952
2015	-	288,811	36,184	-	-	24,826	349,821
2016	-	288,811	36,184	-	-	23,722	348,717
2017	-	288,811	36,184	-	-	-	324,995
2018	-	288,811	36,184	-	-	-	324,995
2019-2023	-	1,444,055	180,920	-	-	-	1,624,975
2024-2028	-	1,444,055	180,920	-	-	-	1,624,975
2029-2033	-	1,435,159	135,920	-	-	-	1,571,079
2034-2038	-	736,205	30,920	-	-	-	767,125
2039	-	60,473	21,661	-	-	-	82,134
Total	<u>\$ 401,250</u>	<u>\$ 6,564,002</u>	<u>\$ 701,261</u>	<u>\$ 5,219</u>	<u>\$ 44,662</u>	<u>\$ 73,374</u>	<u>\$ 7,789,768</u>

4. PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

5. LOCAL INCOME TAX

The Village levies a municipal income tax 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;
- 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. Effective July 2, 2013 plan members were required to contribute 10.75% of their annual covered salary. For January 1, 2013 to July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. For 2013, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2013, 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, 2013.

8. STATE AND FEDERAL GRANTS

The state and federal financial assistance grants are audited by the 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.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

9. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2013 was as follows:

Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,495,839	\$ 1,525,571	\$ 29,732
Special Revenue	662,024	613,323	(48,701)
Debt Service	425,000	387,500	(37,500)
Capital Projects	165,254	128,562	(36,692)
Permanent	1,800	14,059	12,259
Enterprise	2,007,750	2,125,235	117,485
Total	\$ 4,757,667	\$ 4,794,250	\$ 36,583

Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Disbursements	Variance
General	\$ 1,476,939	\$ 1,417,847	\$ 59,092
Special Revenue	640,341	577,852	62,489
Debt Service	425,000	387,500	37,500
Capital Projects	156,000	154,162	1,838
Permanent	55,585	85	55,500
Enterprise	2,037,022	1,957,902	79,120
Total	\$ 4,790,887	\$ 4,495,348	\$ 295,539

The amount of encumbrances for the General Fund and Special Revenue Funds were \$29,054 and \$16,236, respectively.

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

10. FUND BALANCES

Fund balance is classified as nonspendable, 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 as of December 31, 2013 are presented below:

Fund Balances	General Fund	Special Revenue	Debt Service	Capital Projects	Permanent	Total
<i>Nonspendable</i>						
Cemetery Trust	\$ -	\$ -	\$ -	\$ -	\$ 71,463	\$ 71,463
<i>Total Nonspendable</i>	-	-	-	-	71,463	71,463
<i>Restricted for</i>						
Street Improvements	-	174,375	-	23,233	-	197,608
Cemetery Maintenance	-	37,848	-	-	-	37,848
Park Maintenance	-	51,927	-	-	-	51,927
Other Purposes	-	24,618	-	-	-	24,618
<i>Total Restricted</i>	-	288,768	-	23,233	-	312,001
<i>Committed to</i>						
City Hall Improvements	-	-	-	65,253	-	65,253
<i>Total Committed</i>	-	-	-	65,253	-	65,253
<i>Assigned to</i>						
Other Purposes	29,054	-	-	-	-	29,054
<i>Total Assigned</i>	29,054	-	-	-	-	29,054
<i>Unassigned</i>						
	627,366	-	-	-	-	627,366
<i>Total Fund Balances</i>	<u>\$ 656,420</u>	<u>\$ 288,768</u>	<u>\$ -</u>	<u>\$ 88,486</u>	<u>\$ 71,463</u>	<u>\$ 1,105,137</u>

11. 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.

Subsequently, the Village received commitments for the following grant awards and contributions from grantors and local contributors:

Grantor / Contributor	Award/Contribution
Ohio Department of Development ODOT	\$ 500,000
Ohio Department of Development 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

**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)**

11. GREENFIELD RAIL IMPROVEMENT PROJECT (Continued)

These amounts will be used to help meet the Village's required local match for the Greenfield Rail Improvement project.

As of December 31, 2013 \$58,000 of the above mentioned grant awards and contributions were received by the Village, with \$8,000 being received in 2013.



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 Village of Greenfield, Highland County, (the Village) as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated April 6, 2015, 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-001 to be a significant deficiency.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

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 audit the Village's response 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 communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

April 6, 2015

VILLAGE OF GREENFIELD
HIGHLAND COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013

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

FINDING NUMBER 2013-001

Noncompliance and Significant Deficiency

Ohio Admin. Code Section 117-2-02 requires governments to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

We noted the following condition:

- Official estimated resources did not agree to the budgetary amounts in the accounting system as follows:

Fund	Amended Certificate	Accounting System	Variance
General	\$1,495,839	\$1,484,184	\$ 11,655
Greenfield Railroad	192,005	3,330,218	(3,138,213)

Inaccurate budgetary information in the accounting system and financial statements reduces the Village's ability to effectively monitor the budget.

We recommend that the Village ensure official budgetary amounts are properly posted to the accounting system and accurately reflected in the financial statements.

Officials' Response:

We certainly appreciate and recognize the importance of properly maintaining our accounting records and properly reporting our budgetary activity. We implemented a new accounting system in 2011 which resulted in some of the issues that were denoted in the finding. We have taken steps to correct these issues which addressed some of the issues in 2013. We continued progress during 2014 and expect to have fully addressed all of the items noted in the finding for fiscal year 2015.

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**VILLAGE OF GREENFIELD
HIGHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	OAC 117-2-02, inaccurate budgetary information inputted into accounting system.	No	Repeated as 2013-001.

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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
JULY 30, 2015**