



GRANVILLE TOWNSHIP
LICKING COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

GRANVILLE TOWNSHIP
LICKING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Granville Township
Licking County
P.O. Box 315
Granville, Ohio 43023

To the Board of Trustees:

We have audited the accompanying financial statements of Granville Township, Licking County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Township as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 11, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, and the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 11, 2000

GRANVILLE TOWNSHIP
LICKING COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$129,615	\$1,111,345	\$1,240,960
Intergovernmental	191,963	198,959	390,922
Licenses, Permits, and Fees	15,198	18,294	33,492
Earnings on Investments	40,637	20,534	61,171
Other Revenue	36,288	30,763	67,051
	<u>413,701</u>	<u>1,379,895</u>	<u>1,793,596</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	96,471	204,077	300,548
Public Safety	0	594,817	594,817
Public Works	313	500,735	501,048
Health	101,186	953	102,139
Conservation - Recreation	6,147	0	6,147
Capital Outlay	95,124	129,038	224,162
	<u>299,241</u>	<u>1,429,620</u>	<u>1,728,861</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>114,460</u>	<u>(49,725)</u>	<u>64,735</u>
Other Financing Receipts/(Disbursements):			
Advances-In	65,000	65,000	130,000
Advances-Out	(65,000)	(65,000)	(130,000)
Other Sources	1,290	0	1,290
	<u>1,290</u>	<u>0</u>	<u>1,290</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	115,750	(49,725)	66,025
Fund Cash Balances, January 1, 1999	<u>240,233</u>	<u>918,263</u>	<u>1,158,496</u>
Fund Cash Balances, December 31, 1999	<u>\$355,983</u>	<u>\$868,538</u>	<u>\$1,224,521</u>
Reserve for Encumbrances, December 31, 1999	<u>\$12,275</u>	<u>\$0</u>	<u>\$12,275</u>

GRANVILLE TOWNSHIP
LICKING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	\$10,206
Gifts and Donations	<u>1,463</u>
Total Operating Cash Receipts	<u>11,669</u>
Operating Cash Disbursements:	
Health	2,861
Capital Outlay	<u>8,595</u>
Total Operating Cash Disbursements	<u>11,456</u>
Operating Income/(Loss)	213
Fund Cash Balance, January 1, 1999	<u>201,085</u>
Fund Cash Balance, December 31, 1999	<u><u>\$201,298</u></u>

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

GRANVILLE TOWNSHIP
LICKING COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$79,335	\$1,054,007	\$0	\$1,133,342
Intergovernmental	161,748	202,480	194,210	558,438
Licenses, Permits, and Fees	14,134	16,441	0	30,575
Earnings on Investments	48,166	21,306	0	69,472
Other Revenue	17,683	49,698	0	67,381
Total Cash Receipts	321,066	1,343,932	194,210	1,859,208
Cash Disbursements:				
Current:				
General Government	166,381	109,656	0	276,037
Public Safety	0	532,675	0	532,675
Public Works	302	438,152	0	438,454
Health	85,716	6,204	0	91,920
Conservation - Recreation	12,620	0	0	12,620
Capital Outlay	210,345	119,757	205,128	535,230
Total Cash Disbursements	475,364	1,206,444	205,128	1,886,936
Total Receipts Over/(Under) Disbursements	(154,298)	137,488	(10,918)	(27,728)
Other Financing Receipts/(Disbursements):				
Transfers-In	7,141	0	10,000	17,141
Transfers-Out	(10,000)	0	(7,141)	(17,141)
Other Sources	17,533	0	0	17,533
Total Other Financing Receipts/(Disbursements)	14,674	0	2,859	17,533
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(139,624)	137,488	(8,059)	(10,195)
Fund Cash Balances, January 1, 1998	379,857	780,775	8,059	1,168,691
Fund Cash Balances, December 31, 1998	\$240,233	\$918,263	\$0	\$1,158,496
Reserve for Encumbrances, December 31, 1998	\$58	\$175	\$0	\$233

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

GRANVILLE TOWNSHIP
LICKING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest	\$13,540
Gifts and Donations	<u>3,400</u>
Total Operating Cash Receipts	<u>16,940</u>
Operating Cash Disbursements:	
Health	3,987
Capital Outlay	<u>9,054</u>
Total Operating Cash Disbursements	<u>13,041</u>
Operating Income/(Loss)	3,899
Fund Cash Balance, January 1, 1998	<u>197,186</u>
Fund Cash Balance, December 31, 1998	<u><u>\$201,085</u></u>

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

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Granville Township, Licking County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, and cemetery maintenance. The Township contracts with the Granville Volunteer Fire Department, Inc. to provide fire services and ambulance services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Township invests interim monies in the State Treasurer's STAR Ohio investment pool. The monies deposited with the program by Ohio subdivisions are pooled to achieve a greater return. All investment earnings are credited to the participating subdivision proportionate to their respective holdings in the program at the time of investment.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

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

2. 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 Township had the following significant Special Revenue Funds:

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Special Levy (Fire) Fund - This fund receives personal property tax money to pay for fire coverage for the Township from the Granville Volunteer Fire Department, Inc..

Recreations Commission Fund - This fund receives property tax monies to fund recreational activities and maintain the facilities and property used.

Open Space Preservation Fund - This fund receives property tax monies for the purchase of land for space preservation.

Fire Levy Fund - This fund receives property tax monies for the purchase of a ladder truck to be used by the Granville Volunteer Fire Department, Inc. while providing the Township's fire coverage.

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - This fund is used for the perpetual care of the township's cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. 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 also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township 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 1999 and 1998 budgetary activity appears in Note 3.

F. 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.

G. 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 as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Deposits: Demand deposits	\$619	\$1,697
Investments: STAR Ohio	<u>1,425,201</u>	<u>1,357,885</u>
Total deposits and investments	<u><u>\$1,425,820</u></u>	<u><u>\$1,359,582</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$319,910	\$479,991	\$160,081
Special Revenue	1,343,010	1,444,895	101,885
Nonexpendable Trust	5,000	11,669	6,669
Total	\$1,667,920	\$1,936,555	\$268,635

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$562,586	\$376,516	\$186,070
Special Revenue	2,261,097	1,494,620	766,477
Nonexpendable Trust	35,927	11,456	24,471
Total	\$2,859,610	\$1,882,592	\$977,018

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$335,363	\$345,740	\$10,377
Special Revenue	1,281,533	1,343,932	62,399
Capital Projects	194,210	204,210	10,000
Nonexpendable Trust	5,000	16,940	11,940
Total	\$1,816,106	\$1,910,822	\$94,716

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$713,897	\$485,422	\$228,475
Special Revenue	2,023,246	1,206,619	816,627
Capital Projects	212,269	212,269	0
Nonexpendable Trust	35,428	13,041	22,387
Total	\$2,984,840	\$1,917,351	\$1,067,489

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Promissory Notes	\$291,000	6%

Two promissory notes were issued during 1999 to finance the purchase of land from the Kent Family LLC for Open Space Preservation. The notes will be repaid in yearly installments, including interest, over 3 years. Payment on the notes will come from the Townships Open Space Preservation Levy Fund and existing township funds.

GRANVILLE TOWNSHIP
LICKING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. DEBT (Continued)

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

<u>Year ending December 31:</u>	<u>Promissory Notes</u>
2000	\$114,460
2001	108,640
2002	<u>102,820</u>
Total	<u><u>\$325,920</u></u>

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township maintains insurance coverage with several different companies. The following coverages were in place during the audit period.

- General liability and casualty
- Public official's liability
- Vehicle



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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Trustees
Granville Township
Licking County
P.O. Box 315
Granville, Ohio 43023

To the Board of Trustees:

We have audited the accompanying financial statements of Granville Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated July 11, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated July 11, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 11, 2000.

This report is intended for the information and use of management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

July 11, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GRANVILLE TOWNSHIP

LICKING 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
AUGUST 24, 2000