

GRANVILLE TOWNSHIP
LICKING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Members of the Board of Trustees
Granville Township
PO Box 315
Granville, OH 43023-0315

We have reviewed the *Independent Auditor's Report* of the Granville Township, Licking County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 06, 2022

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**GRANVILLE TOWNSHIP
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Granville Township
Licking County
PO Box 315
Granville, Ohio 43023

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Granville Township, Licking County, Ohio, as of and for the years ended December 31, 2021 and 2020, 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 fund type of Granville Township, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as 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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Granville Township, as of December 31, 2021 and 2020, or changes in net position 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 Granville Township, 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 Granville Township 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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.

Though Granville Township 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(C) permit. Our opinions on this accounting basis are in the “*Unmodified Opinions on Regulatory Basis of Accounting*” paragraph above.

Emphasis of Matters

As described in Note 13 to the financial statements for the year ended December 31, 2020, during 2020 the Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types. As described in Note 13 to the financial statements for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Granville Township. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 Granville Township'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 generally accepted auditing standards and *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 generally accepted auditing standards 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 Granville Township'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Granville Township'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 July 27, 2022, on our consideration of Granville Township's internal control over financial reporting and on 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 Granville Township'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 Granville Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 27, 2022

Granville Township
Licking County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$ 38,416	\$ 2,655,496	\$ -	\$ -	\$ -	\$ 2,693,912
Charges for Services	-	489,697	-	-	-	489,697
Licenses, Permits and Fees	32,881	51,180	-	-	-	84,061
Intergovernmental	41,639	767,349	-	-	-	808,988
Earnings on Investments	108,614	3,896	-	-	1,286	113,796
Miscellaneous	2,231	373,782	-	2,461	-	378,474
<i>Total Cash Receipts</i>	<u>223,781</u>	<u>4,341,400</u>	<u>-</u>	<u>2,461</u>	<u>1,286</u>	<u>4,568,928</u>
Cash Disbursements						
Current:						
General Government	164,955	124,453	-	-	-	289,408
Public Safety	-	2,093,768	-	-	-	2,093,768
Public Works	501	843,799	-	-	-	844,300
Health	27,381	145,446	-	-	-	172,827
Capital Outlay	-	104,315	-	195,449	-	299,764
Debt Service:						
Principal Retirement	-	-	90,000	-	-	90,000
Interest and Fiscal Charges	-	-	114,284	-	-	114,284
<i>Total Cash Disbursements</i>	<u>192,837</u>	<u>3,311,781</u>	<u>204,284</u>	<u>195,449</u>	<u>-</u>	<u>3,904,351</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>30,944</u>	<u>1,029,619</u>	<u>(204,284)</u>	<u>(192,988)</u>	<u>1,286</u>	<u>664,577</u>
Other Financing Receipts (Disbursements)						
Loans Issued	-	-	-	654,539	-	654,539
Sale of Capital Assets	-	51,090	-	-	-	51,090
Transfers In	-	39,433	325,000	-	-	364,433
Transfers Out	-	(39,433)	-	(325,000)	-	(364,433)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>51,090</u>	<u>325,000</u>	<u>329,539</u>	<u>-</u>	<u>705,629</u>
<i>Net Change in Fund Cash Balances</i>	<u>30,944</u>	<u>1,080,709</u>	<u>120,716</u>	<u>136,551</u>	<u>1,286</u>	<u>1,370,206</u>
<i>Fund Cash Balances, January 1</i>	<u>1,987,738</u>	<u>9,772,529</u>	<u>97,689</u>	<u>706,135</u>	<u>179,220</u>	<u>12,743,311</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,018,682</u>	<u>\$ 10,853,238</u>	<u>\$ 218,405</u>	<u>\$ 842,686</u>	<u>\$ 180,506</u>	<u>\$ 14,113,517</u>

See accompanying notes to the financial statement

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Granville Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Trustees also serve as the Trustees of the Granville Township Road District. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. Police protection is provided by the Licking County Sheriff.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township 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 Township 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 Township 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 other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Road District Fund This fund receives taxes and intergovernmental money for constructing, maintaining, and repairing Township roads and bridges.

Fire Fund This fund receives taxes and intergovernmental money for the purpose of providing fire and emergency ambulance protection to the community and contracted Townships.

Open Space Fund This fund receives taxes and intergovernmental money for the purpose of purchasing property and land easements to provide open space areas within the community.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Cemetery Fund This fund receives taxes and intergovernmental money for the purpose of development, maintaining, and repairing community cemeteries.

American Rescue Plan Fund This was funded by the American Rescue Plan Act of 2021 (ARPA) which established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.

Debt Service Fund This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Miscellaneous Debt Services Fund This debt services fund is used to pay the \$4,100,000 US Department of Agriculture (USDA) Rural Development loan which the Township received during the construction of the new Fire Station Project (completed in 2020). The 30 year debt will be paid from monies received by the Township, including property tax revenues supporting fire and EMT services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Capital Project – Fire Department Equipment Reserve Fund – This fund receives transfers from the Fire Department Operations Fund setting aside funds for future fire department related capital projects in accordance with Ohio Revised Code Section 5705.13(C).

Capital Project - Firehouse Fund – This fund receives transfers from the Fire Department Operations Fund, The Opera House Fund, private donations and from a USDA Rural Development Program Loan setting aside funds to construct a new firehouse in accordance with Ohio Revised Code Section 5705.13(C). Actual construction began in 2019 and the Fire Department personnel began using the facility in October 2020.

Permanent Fund This fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 Board of Trustees 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 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 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report. Investments with Meeder Investments are limited to Bonds, Commercial Paper, and Corporate Issued CD's. STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township 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 Township and the nonspendable 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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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 Township 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.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$129,464	\$223,781	\$94,317
Special Revenue	3,995,252	4,431,923	436,671
Debt Service	325,000	325,000	0
Capital Projects	600,000	657,000	57,000
Permanent	0	1,286	1,286
Total	\$5,049,716	\$5,638,990	\$589,274

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$721,670	\$209,956	\$511,714
Special Revenue	10,111,800	3,403,151	6,708,649
Debt Service	210,000	204,284	5,716
Capital Projects	993,822	520,449	473,373
Permanent	0	0	0
Total	\$12,037,292	\$4,337,840	\$7,699,452

Note 4 – Deposits and Investments

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

	2021
Demand deposits	\$223,490
Total deposits	223,490
Meeder Investments - Cash & Equivalents (CP)	721,477
Meeder Investments - U.S. Government Issues (Bonds)	5,836,409
Meeder Investments - Corporate Issues (CD)	4,669,544
STAR Ohio	2,662,597
Total investments	13,890,027
<i>Total Deposits and Investments</i>	<i>\$14,113,517</i>

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

At December 31, 2021, the Township held no equity securities. Equity securities are not eligible investments for the Township under Ohio law.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2021, all funds on deposit were properly insured or collateralized as required by Ohio law.

Investments

Starting in the spring of 2016 the Township contracted with a financial broker in an effort to increase revenue by those means allowed within the Township's investment policy. An additional agreement was signed with a custodian financial institution that will make and maintain proper books or account and complete records of all Assets and transactions in the Account. Custodian will preserve for the periods prescribed by applicable federal statute or regulation all records required to be maintained. The account is reconciled utilizing the "cost basis" as reported on the monthly bank statements.

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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 Township.

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

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Interfund Balances and Transfers

There are no outstanding advances at December 31, 2021

The Township reported the following transfers at December 31, 2021:

From Misc Capital Project – Fire House Fund (4901) to Debt Services Fund (3901):	\$325,000
From Misc. Spec Revenue - FEMA (2903) to Fire Dept Operation Fund (2191):	\$ 39,433

- The transfer from the Misc Capital Project – Fire House Fund (4901) to the Debt Services Fund (3901) was to fund the loan payments due on the new fire station loan received from the USDA.
- The transfer from FEMA (2903) was to reimburse the cost of the SAFER Grant which paid a portion of the cost of 3 fulltime EMT/firefighters.

Note 7 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's Roads, Cemetery, Business Office and Elected Officials 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 Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Ohio Police and Fire Retirement System

The Township’s certified full time Fire Fighters 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% of their wages and the employer’s contributed to OP&F an amount equal to 24% of full-time fire fighters’ wages. The Township Trustees elected to pick-up 2% of OP&F participants share of retirement as part of their updated benefits package effective 3/1/2020 which changed the rates to 10.25% for the employee and 26% for the employer. Again in 2021, the Township Trustees elected to pick-up an additional 2% (4% total) of OP&F participants share of retirement as part of their updated benefits package effective 2/28/2021 which changed the rates to 8.25% for the employee and 28% for the employer. The Township has paid all contributions required through December 31, 2021.

Retirement Rates	Year	Member Rate	Employer Rate
OP&F- full time firefighters	7-1-2015 thru 2-29-2020	12.25%	24%
OP&F- full time firefighters	3-1-2020 thru 02-27-2021	10.25%	26%
OP&F- full time firefighters	2-28-2021 thru 12-31-2021	8.25%	28%
OPERS – Local	2012-2021	10%	14%

Social Security

Some Township 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 Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9– Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$3,923,000	3%
Total	\$3,923,000	

In 2019, the Township secured a \$4,100,000, 30-year fixed rate USDA Rural Development Loan to help pay for the construction of the new fire station which opened in October 2020.

Leases

The Township does not have any material leases.

Amortization

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

Year Ending December 31:	General Obligation Bonds
2022	209,000
2023	208,225
2024	208,383
2025	208,450
2026	208,430
2027-2031	1,040,605
2032-2036	1,040,350
2037-2041	1,039,770
2042-2046	1,038,480
2047-2049	622,388
Total	\$5,824,081

Note 11 – Construction and Contractual Commitments

The Township received the remaining USDA Rural Development Loan, bringing the total to the agreed upon \$4,100,000. All outstanding bills were paid early in 2021. Remaining funds will be transferred to the debt fund pay or used for other capital expenditures.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Corpus	0	0	0	0	176,759	176,759
Outstanding Encumbrances	17,123	51,937	0	0	0	69,060
Total	\$17,123	\$51,937	\$0	\$0	\$176,759	\$245,819

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Township’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

The 2021 activity includes, \$2,733 which was sub-granted to other governments and organization, no money was returned to the granting agency, and no money was spent on-behalf of other governments. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

American Rescue Plan (ARP)

During 2021, the Township received \$228,572 on-behalf of this grants from the Federal Government. No money was spent from this fund in 2021.

Granville Township
Licking County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$ 56,743	\$ 2,614,324	\$ -	\$ -	\$ -	\$ 2,671,067
Charges for Services	-	542,586	-	-	-	542,586
Licenses, Permits and Fees	19,006	45,142	-	-	-	64,148
Intergovernmental	40,309	823,967	-	-	-	864,276
Earnings on Investments	172,900	4,833	-	-	2,461	180,194
Miscellaneous	15,209	403,299	-	3,872	-	422,380
<i>Total Cash Receipts</i>	<u>304,167</u>	<u>4,434,151</u>	<u>-</u>	<u>3,872</u>	<u>2,461</u>	<u>4,744,651</u>
Cash Disbursements						
Current:						
General Government	149,879	281,446	-	3,498	-	434,823
Public Safety	-	2,010,109	-	-	-	2,010,109
Public Works	472	642,639	-	-	-	643,111
Health	30,218	142,747	-	-	-	172,965
Conservation-Recreation	1,336	-	-	-	-	1,336
Capital Outlay	-	979,006	-	5,492,352	-	6,471,358
Debt Service:						
Principal Retirement	-	-	87,000	-	-	87,000
Interest and Fiscal Charges	-	-	16,311	-	-	16,311
<i>Total Cash Disbursements</i>	<u>181,905</u>	<u>4,055,947</u>	<u>103,311</u>	<u>5,495,850</u>	<u>-</u>	<u>9,837,013</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>122,262</u>	<u>378,204</u>	<u>(103,311)</u>	<u>(5,491,978)</u>	<u>2,461</u>	<u>(5,092,362)</u>
Other Financing Receipts (Disbursements)						
Loans Issued	-	-	-	3,425,461	-	3,425,461
Sale of Capital Assets	-	563,545	-	-	-	563,545
Transfers In	-	238,077	201,000	-	-	439,077
Transfers Out	(124,021)	(315,056)	-	-	-	(439,077)
Other Financing Uses	-	(256)	-	-	-	(256)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(124,021)</u>	<u>486,310</u>	<u>201,000</u>	<u>3,425,461</u>	<u>-</u>	<u>3,988,750</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,759)</u>	<u>864,514</u>	<u>97,689</u>	<u>(2,066,517)</u>	<u>2,461</u>	<u>(1,103,612)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,989,497</u>	<u>8,908,015</u>	<u>-</u>	<u>2,772,652</u>	<u>176,759</u>	<u>13,846,923</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,987,738</u>	<u>\$ 9,772,529</u>	<u>\$ 97,689</u>	<u>\$ 706,135</u>	<u>\$ 179,220</u>	<u>\$ 12,743,311</u>

See accompanying notes to the financial statement

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Granville Township, Licking County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Trustees also serve as the Granville Township Road District. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. Police protection is provided by the Licking County Sheriff.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township 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 Township 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 Township 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 other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Road District Fund This fund receives taxes and intergovernmental money for constructing, maintaining, and repairing Township roads and bridges.

Fire Fund This fund receives taxes and intergovernmental money for the purpose of providing fire and emergency ambulance protection to the community and contracted Townships.

Open Space Fund This fund receives taxes and intergovernmental money for the purpose of purchasing property and land easements to provide open space areas within the community.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Cemetery Fund This fund receives taxes and intergovernmental money for the purpose of development, maintaining, and repairing community cemeteries.

Debt Service Fund This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Miscellaneous Debt Services Fund This debt services fund is used to pay the \$4,100,000 US Department of Agriculture (USDA) Rural Development loan which the Township received during the construction of the new Fire Station Project (completed in 2020). The 30 year debt will be paid from monies received by the Township, including property tax revenues supporting fire and EMT services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Capital Project – Fire Department Equipment Reserve Fund – This fund receives transfers from the Fire Department Operations Fund setting aside funds for future fire department related capital projects in accordance with Ohio Revised Code Section 5705.13(C).

Capital Project - Firehouse Fund – This fund receives transfers from the Fire Department Operations Fund, The Opera House Fund, private donations and from a USDA Rural Development Program Loan setting aside funds to construct a new firehouse in accordance with Ohio Revised Code Section 5705.13(C). Actual construction began in 2019 and the Fire Department personnel began using the facility in October 2020.

Permanent Fund This fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Endowment Fund The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Basis of Accounting

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

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

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Budgetary Process

The Ohio Revised Code requires that each fund 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 Board of Trustees 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 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 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment with Meeder Investments are limited to Bonds, Commercial Paper, and Corporate Issued CD's. STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Township 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 Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Nonspendable The Township 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 Township and the nonspendable 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 Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend 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 Township 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 disclosures related to fund balance is included in Note 12.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$200,000	\$304,167	\$104,167
Special Revenue	\$3,912,004	\$5,235,773	\$1,323,769
Debt Service	\$201,000	\$201,000	\$0
Capital Projects	\$3,429,332	\$3,429,332	\$0
Permanent	\$0	\$2,461	\$2,461
Total	\$7,742,336	\$9,172,733	\$1,430,397

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$716,411	\$306,925	\$409,486
Special Revenue	\$11,379,369	\$4,389,131	\$6,990,238
Debt Service	\$201,000	\$103,311	\$97,689
Capital Projects	\$6,460,339	\$5,686,935	\$773,404
Permanent	\$0	\$0	\$0
Total	\$18,757,119	\$10,486,302	\$8,270,817

Note 4 – Deposits and Investments

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

Demand deposits	2020 \$854,631
Total deposits	854,631
Meeder Investments - Cash & Equivalents (CP)	1,014,415
Meeder Investments - U.S. Government Issues (Bonds)	3,207,014
Meeder Investments - U.S. Government Issues (CD)	5,407,230
STAR Ohio	2,260,020
Total investments	11,888,680
Total Deposits and Investments	\$12,743,311

At December 31, 2020, the Township held no equity securities. Equity securities are not eligible investments for the Township under Ohio law.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2020, all funds on deposit were properly insured or collateralized as required by Ohio law.

Investments

Starting in the spring of 2016 the Township contracted with a financial broker in an effort to increase revenue by those means allowed within the Township’s investment policy. An additional agreement was signed with a custodian financial institution that will make and maintain proper books or account and complete records of all Assets and transactions in the Account. Custodian will preserve for the periods prescribed by applicable federal statute or regulation all records required to be maintained. The account is reconciled utilizing the “cost basis” as reported on the monthly bank statements.

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees 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 in February. The second half payment is due in July.

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

Note 6 – Interfund Transfers

The Township reported the following transfers at December 31, 2020:

From Fire Department Operations Fund (2191) to Debt Services Fund (3901):	\$201,000
From General Fund (1000) to Open Space Fund (2195):	\$124,021
From Misc. Spec Revenue - FEMA (2903) to Fire Dept Operation Fund (2191):	\$114,056

- The transfer from the FD Operations (2191) was to make the first loan payments due on the new fire station loan received from the USDA.
- The transfer from the General Fund (1000) was a settlement agreement between the Township Trustees and the Ohio Public Works Commission concerning the rental house on the Spring Valley Nature Preserve.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

- The transfer from FEMA (2903) was to reimburse the cost of the SAFER Grant which paid a portion of the cost of 3 fulltime EMT/firefighters.

Note 7 – Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions
- Builders Risk Insurance – Fire Station Project

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. The Township participates in a group rating program and the rate is calculated based on accident history and administrative costs.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement System

The Township’s certified full-time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages and the employer’s contributed to OP&F an amount equal to 24% of full-time fire fighters’ wages. The Township Trustees elected to pick-up 2% of OP&F participants share of retirement as part of their updated benefits package effective 3/1/2020, changing the rates to 10.25% for the employee and 26% for the employer. The Township has paid all contributions required through December 31, 2020.

Retirement Rates	Year	Member Rate	Employer Rate
OP&F- full time firefighters	7-1-2015 thru 2-29-2020	12.25%	24%
OP&F- full time firefighters	3-1-2020 thru 12-31-2020	10.25%	26%
OPERS – Local	2012-2020	10%	14%

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Social Security

All other Fire Fighters (not full-time) 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 Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	<u>\$3,358,460</u>	3%
Total	<u><u>\$3,358,460</u></u>	

The Township received an USDA Rural Development Loan to help pay for the construction of the new fire station which opened in October 2020.

Leases – As of 12/31/2020, the Township does not lease any facilities or equipment.

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Amortization

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

Year Ending December 31:	General Obligation Bonds
2021	\$209,715
2022	209,000
2023	208,225
2024	208,383
2025	208,450
2026-2030	1,041,105
2031-2035	1,040,483
2036-2040	1,039,955
2041-2045	1,038,175
2046-2049	830,303
Total	<u><u>\$6,033,794</u></u>

Note 11 – Construction and Contractual Commitments

The Township will request the remaining USDA Rural Development Loan, bringing the total to the agreed upon \$4,100,000. The funds will be used to pay the final remaining invoices, including the remaining retainage and to reimburse the Township for a portion of its \$2,900,000 contribution.

Note 12 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Corpus	0	0	0	0	176,759	176,759
Outstanding Encumbrances	1,000	17,871	0	191,086	0	209,957
Total	\$1,000	\$17,871	\$0	\$191,086	\$176,759	\$386,716

Granville Township
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

Note 14 – COVID-19

During 2020, the Township received CARES Act funding. Of the amounts received, \$154,160 was sub-granted to other governments and organization, \$0 were returned to the granting agency, and \$35,457 was spent by Granville Township. The remaining funds will be utilized by the Township Trustees in 2021 to cover eligible expenses. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

During 2020, the Township received \$219,208 on-behalf of grants from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

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

Granville Township
Licking County
PO Box 315
Granville, Ohio 43023

To the Members of the Board of Trustees:

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* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Granville Township, Licking County, Ohio, as of and for the years ended December 31, 2021, and 2020 and the related notes to the financial statements and have issued our report thereon dated July 27, 2022, wherein we noted as described in Note 2 to the financial statements, Granville Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. As described in Note 13 to the financial statements for the year ended December 31, 2020, during 2020 the Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types. Furthermore, we noted as described in Note 13 to the financial statements for the year ended December 31, 2021, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Granville Township'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 Granville Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Granville Township'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 Granville Township'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Granville Township'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*.

Granville Township's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Granville Township's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. Granville Township'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 Granville Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Granville Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
July 27, 2022

**GRANVILLE TOWNSHIP
LICKING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2021-001

Significant Deficiency – Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Township, this could also include reviewing the year-end UAN reports to ensure activity is reported in the correct line items and fund balances are properly classified.

An adjustment was made to the financial statements for the year ended December 31, 2021 to properly record significant transactions during the audit period.

- The Township improperly recorded \$334,774 of EMS billings as licenses, permits and fees instead of charges for services in the Fire Fund.

The audited financial statements, note disclosures and Township records have been adjusted for the misstatement identified during the audit.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Township’s activity.

We recommend the Township design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Township should consider having an outside third-party, or Trustee member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the Township should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Township will closely monitor all transactions to ensure accurate financial reporting in the future. In addition, the EMS billings have already been re-coded to the proper account code in the current year and will continue to be coded that way going forward.

**GRANVILLE TOWNSHIP
LICKING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	<u>Material Weakness – Financial Statement Presentation</u> – The Township had audit adjustments identified and subsequently posted to the financial statements, in addition to modifications to the Township’s notes.	Not Corrected	Finding repeated as a significant deficiency as 2021-001 as transactions were not closely monitored prior to filing the current year report.

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OHIO AUDITOR OF STATE KEITH FABER



GRANVILLE TOWNSHIP

LICKING 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 9/20/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov