

GRANVILLE TOWNSHIP

MERCER COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of the Board of Trustees
Granville Township
640 Cooper Ave
St. Henry, OH 45883

We have reviewed the *Independent Auditor's Report* of Granville Township, Mercer County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2023. 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. Granville Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2024

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**GRANVILLE TOWNSHIP
MERCER COUNTY, OHIO**

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Independent Auditor's Report

Granville Township
Mercer County
141 South Walnut Street
St. Henry, Ohio 45883

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, Mercer County, Ohio, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinions 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, 2023 and 2022 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, 2023 and 2022, or changes in financial 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 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 GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Granville Township
Mercer County
Independent Auditor's Report

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 June 7, 2024 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.
June 7, 2024

Granville Township
Mercer 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, 2023

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 66,745	\$95,970	\$ -	\$ 162,715
Licenses, Permits and Fees	600	-	-	600
Intergovernmental	34,588	173,538	-	208,126
Earnings on Investments	783	554	-	1,337
Miscellaneous	3,155	9,025	-	12,180
<i>Total Cash Receipts</i>	<u>105,871</u>	<u>279,087</u>	<u>-</u>	<u>384,958</u>
Cash Disbursements				
Current:				
General Government	67,646	-	-	67,646
Public Works	-	149,086	-	149,086
Health	14,353	-	-	14,353
Debt Service:				
Principal Retirement	-	12,932	-	12,932
Interest and Fiscal Charges	-	471	-	471
<i>Total Cash Disbursements</i>	<u>81,999</u>	<u>162,489</u>	<u>-</u>	<u>244,488</u>
<i>Net Change in Fund Cash Balances</i>	23,872	116,598	-	140,470
<i>Fund Cash Balances, January 1</i>	<u>201,532</u>	<u>578,966</u>	<u>1</u>	<u>780,499</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 225,404</u>	<u>\$ 695,564</u>	<u>\$ 1</u>	<u>\$ 920,969</u>

See accompanying notes to the financial statement

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Granville Township, Mercer County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the South Central Mercer County Fire District to provide fire services and Southern Mercer County Joint Ambulance District to provide ambulance services.

Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 6 to the financial statement provides additional information for this entity.

Jointly Governed Organizations

The Township participates in two jointly governed organizations, South Central Mercer County Fire District and Southern Mercer County Joint Ambulance District. Note 10 to the financial statement presents additional information for these entities.

The Township’s management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

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 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.

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

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 & Bridge Fund The Road & Bridge Fund accounts for & reports the portion of Real Property Taxes collected for maintenance and repair of roads & roadside right-of-way, along with necessary equipment to perform such services, for the Township.

Permissive 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, as charged on a per registration basis for by the Township.

Coronavirus Relief Fund The Coronavirus Relief accounts for & reports the Relief Funds allocated to the Township by the United States Government for services provided in response to the Coronavirus Pandemic.

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:

Ohio Public Works Commission (OPWC) Capital Projects Fund - This fund is to account for Issue II grants in collaboration with Mercer County for improvements.

Basis of Accounting

This financial statement follows 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 Township 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).

This statement includes 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. Appropriations lapse at year end.

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

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

Capital Assets

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

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 disbursements 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 disbursements 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
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,979	\$105,871	\$3,892
Special Revenue	260,518	279,087	18,569
Capital Projects	-	-	-
Total	\$362,497	\$384,958	\$22,461

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$300,783	\$81,999	\$218,784
Special Revenue	832,290	162,489	669,801
Capital Projects	-	-	-
Total	\$1,133,073	\$244,488	\$888,585

Note 4 – Deposits

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. A summary of the Township’s deposit are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$920,969
Total deposits	\$920,969

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

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 statement includes 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.

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

Note 6 – 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.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of Granville Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Cyber
- Law Enforcement Liability
- Automobile Liability
- Vehicle
- Property
- Equipment Breakdown

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

	<u>2023</u>
Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$31,908	1.21%
Total	\$31,908	

The Township issued general obligation bonds to finance the purchase of a new dump truck and plowing equipment for Township road maintenance. The Township’s taxing authority collateralized the bonds.

Amortization

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

Year Ending December 31:	General Obligation Bonds
2024	\$12,282
2025	13,397
2026	6,699
Total	\$32,378

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 10 – Jointly Governed Organizations

South Central Mercer County Fire District Granville Township is a member of the South Central Mercer County Fire District. Other members of the district include the Village of Saint Henry and the Village of Burkettsville. Trustee Ron Post represents Granville Township on the District Board. Fiscal Officer Nathan Schwieterman manages the banking activity for the South Central Mercer County Fire District. The purpose of the district is to provide Fire Protection Services to the Township & Municipalities through the Saint Henry Fire Department and the Burkettsville Community Fire Department. The Board of Trustees for the South Central Mercer County Fire District meets with the Fire Departments multiple times during the calendar year to provide oversight & distribute funds from the South Central Mercer Fire District to the respective departments.

Southern Mercer County Joint Ambulance District Granville Township is a member of the Southern Mercer County Joint Ambulance District. This district was formed in 2020 to provide Ambulance Services to Granville Township, along with Marion Township, Gibson Township, Recovery Township, the Village of Saint Henry, the Village of Burkettsville, the Village of Fort Recovery and the Village of Chickasaw. The Southern Mercer County Joint Ambulance District will provide services through the Saint Henry Emergency Squad. Trustee Greg Clune represents Granville Township on the District Board. The Board of Trustees of the Southern Mercer County Joint Ambulance District meets periodically during the calendar year

Note 11 – Related Party Transactions

The Township rented barn space and utilized farm equipment from one Trustee for storage of the Township Tractor and storage of road grit for use during winter weather events such as snow or ice on roadways. The Trustee was paid \$599 for rental of the space and use of equipment.

Note 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the Township did not have any outstanding encumbrances. The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, and capital projects would include any outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Subsequent Event

One Trustee's term expired on December 31, 2023. Another Trustee was elected to replace the outgoing Trustee on the Granville Township Board of Trustees during the November 2023 election. The new term begins on January 1, 2024.

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 14 – 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 ended in April 2023. During 2023, the Township received no COVID-19 funding, and held a balance of \$160,600 in Coronavirus Relief funds to be spent as of December 31, 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program

Note 15 – Contingent Liabilities

The amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require a refunding of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Granville Township
Mercer 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, 2022

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 64,534	\$ 103,349	\$ -	\$ 167,883
Licenses, Permits and Fees	775	-	-	775
Intergovernmental	34,173	236,971	26,879	298,023
Earnings on Investments	561	395	-	956
Miscellaneous	1,250	5,358	-	6,608
<i>Total Cash Receipts</i>	<u>101,293</u>	<u>346,073</u>	<u>26,879</u>	<u>474,245</u>
Cash Disbursements				
Current:				
General Government	80,508	7,722	-	88,230
Public Works	-	347,623	-	347,623
Health	15,410	-	-	15,410
Capital Outlay	-	-	26,879	26,879
Debt Service:				
Principal Retirement	-	12,778	-	12,778
Interest and Fiscal Charges	-	626	-	626
<i>Total Cash Disbursements</i>	<u>95,918</u>	<u>368,749</u>	<u>26,879</u>	<u>491,546</u>
<i>Net Change in Fund Cash Balances</i>	5,375	(22,676)	-	(17,301)
<i>Fund Cash Balances, January 1</i>	<u>196,157</u>	<u>601,642</u>	<u>1</u>	<u>797,800</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 201,532</u>	<u>\$ 578,966</u>	<u>\$ 1</u>	<u>\$ 780,499</u>

See accompanying notes to the financial statement

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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Basis of Presentation

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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.

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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 & Bridge Fund The Road & Bridge Fund accounts for & reports the portion of Real Property Taxes collected for maintenance and repair of roads & roadside right-of-way, along with necessary equipment to perform such services, for the Township.

Permissive 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, as charged on a per registration basis for by the Township.

Coronavirus Relief Fund The Coronavirus Relief accounts for & reports the Relief Funds allocated to the Township by the United States Government for services provided in response to the Coronavirus Pandemic.

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:

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Basis of Accounting

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This statement includes 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. Appropriations lapse at year end.

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

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

Capital Assets

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

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 disbursements 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 disbursements 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
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$96,914	\$101,293	\$4,379
Special Revenue	252,909	346,073	93,164
Capital Projects	26,879	26,879	-
Total	\$376,702	\$474,245	\$97,543

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$291,008	\$95,918	\$195,090
Special Revenue	849,744	368,749	480,995
Capital Projects	26,879	26,879	-
Total	\$1,167,631	\$491,546	\$676,085

Note 4 – Deposits

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. A summary of the Township’s deposit are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$780,499
Total deposits	\$780,499

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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 statement includes 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.

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

Note 6 – 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.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of Granville Township's policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Cyber
- Law Enforcement Liability
- Automobile Liability
- Vehicle
- Property
- Equipment Breakdown

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

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 7 – Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022.

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

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$44,840	1.21%
Total	\$44,840	

The Township issued general obligation bonds to finance the purchase of a new dump truck and plowing equipment for Township road maintenance. The Township’s taxing authority collateralized the bonds.

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	General Obligation Bonds
2023	\$12,283
2024	13,398
2025	13,397
2026	6,699
Total	<u>\$45,777</u>

Note 10 – Jointly Governed Organizations

South Central Mercer County Fire District Granville Township is a member of the South Central Mercer County Fire District. Other members of the district include the Village of Saint Henry and the Village of Burkettsville. Trustee Marvin Siefring represents Granville Township on the District Board. Fiscal Officer Nathan Schwieterman manages the banking activity for the South Central Mercer County Fire District. The purpose of the district is to provide Fire Protection Services to the Township & Municipalities through the Saint Henry Fire Department and the Burkettsville Community Fire Department. The Board of Trustees for the South Central Mercer County Fire District meets with the Fire Departments multiple times during the calendar year to provide oversight & distribute funds from the South Central Mercer Fire District to the respective departments.

Southern Mercer County Joint Ambulance District Granville Township is a member of the Southern Mercer County Joint Ambulance District. This district was formed in 2020 to provide Ambulance Services to Granville Township, along with Marion Township, Gibson Township, Recovery Township, the Village of Saint Henry, the Village of Burkettsville, the Village of Fort Recovery and the Village of Chickasaw. The Southern Mercer County Joint Ambulance District will provide services through the Saint Henry Emergency Squad. Trustee Greg Clune represents Granville Township on the District Board. The Board of Trustees of the Southern Mercer County Joint Ambulance District meets periodically during the calendar year.

Note 11 – Related Party Transactions

The Township rented barn space and utilized farm equipment from one Trustee for storage of the Township Tractor and storage of road grit for use during winter weather events such as snow or ice on roadways. The Trustee was paid \$599 for rental of the space and use of equipment.

Granville Township
Mercer County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the Township did not have any outstanding encumbrances. The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, and capital projects would include any outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – Subsequent Event

One Trustee resigned his role effective December 31, 2022. A Township resident was appointed to fill the resigned Trustee’s unexpired term commencing on January 1, 2023.

Note 14 – 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 ended in April 2023. During 2022, 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 funding, either federal or state, cannot be estimated.

During 2022, the Township received \$80,616 which is recorded in the applicable Special Revenue Fund Type.

Note 15 – Contingent Liabilities

The amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require a refunding of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**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
Mercer County
141 South Walnut Street
St. Henry, Ohio 45883

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, Mercer County, Ohio, as of and for the years ended December 31, 2023, and 2022 and the related notes to the financial statements and have issued our report thereon dated June 7, 2024 wherein we noted Granville Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

Mercer County

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*

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.

June 7, 2024

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OHIO AUDITOR OF STATE KEITH FABER



GRANVILLE TOWNSHIP

MERCER 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 9/5/2024

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

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