



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF GRANVILLE
LICKING COUNTY
DECEMBER 31, 2023 AND 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Granville
Licking County
141 E. Broadway
PO Box 514
Granville, Ohio 43023

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

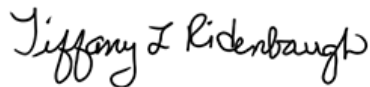
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 29, 2025

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

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Combined Total
Cash Receipts						
Property and Other Local Taxes	\$553,779	\$61,200		\$221,405		\$836,384
Municipal Income Tax	5,136,106					5,136,106
Intergovernmental	160,799	288,191				448,990
Fines, Licenses and Permits	143,928	11,500				155,428
Earnings on Investments	280,336					280,336
Miscellaneous	94,710					94,710
<i>Total Cash Receipts</i>	<u>6,369,658</u>	<u>360,891</u>	<u>\$0</u>	<u>221,405</u>	<u>\$0</u>	<u>6,951,954</u>
Cash Disbursements						
Current:						
Security of Persons and Property	1,798,464					1,798,464
Public Health Services	26,287					26,287
Leisure Time Activities		41,966				41,966
Community Environment	148,224					148,224
Transportation	839,313	202,391				1,041,704
General Government	1,316,036	12,837		64,756		1,393,629
Capital Outlay	1,310,620	215,122		704,418		2,230,160
Debt Service:						
Principal Retirement	18,524		3,435,000			3,453,524
Interest and Fiscal Charges			142,472			142,472
<i>Total Cash Disbursements</i>	<u>5,457,468</u>	<u>472,316</u>	<u>3,577,472</u>	<u>769,174</u>	<u>0</u>	<u>10,276,430</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>912,190</u>	<u>(111,425)</u>	<u>(3,577,472)</u>	<u>(547,769)</u>	<u>0</u>	<u>(3,324,476)</u>
Other Financing Receipts (Disbursements)						
Sale of Notes			2,635,000			2,635,000
Loans Issued				290,089		290,089
Other Debt Proceeds			7,357			7,357
Transfers In		106,000	943,913	362,500		1,412,413
Transfers Out	(1,142,413)	(250,000)				(1,392,413)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,142,413)</u>	<u>(144,000)</u>	<u>3,586,270</u>	<u>652,589</u>	<u>0</u>	<u>2,952,446</u>
<i>Net Change in Fund Cash Balances</i>	<u>(230,223)</u>	<u>(255,425)</u>	<u>8,798</u>	<u>104,820</u>	<u>0</u>	<u>(372,030)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,436,789</u>	<u>1,270,752</u>	<u>46,196</u>	<u>2,649,672</u>	<u>110</u>	<u>8,403,519</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,206,566</u>	<u>\$1,015,327</u>	<u>\$54,994</u>	<u>\$2,754,492</u>	<u>\$110</u>	<u>\$8,031,489</u>

See accompanying notes to the financial statements.

Village of Granville, Ohio
Licking County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$2,213,131
Fine, Licenses, and Permits	364,758
Miscellaneous	<u>47,819</u>
<i>Total Operating Cash Receipts</i>	<u>2,625,708</u>
Operating Cash Disbursements	
Personal Services	478,924
Employee Fringe Benefits	185,649
Contractual Services	615,260
Supplies and Materials	353,003
Claims	<u>187</u>
<i>Total Operating Cash Disbursements</i>	<u>1,633,023</u>
<i>Operating Income</i>	<u>992,685</u>
Non-Operating Disbursements	
Capital Outlay	(327,038)
Principal Retirement	(66,025)
Interest and Other Fiscal Charges	<u>(9,733)</u>
<i>Total Non-Operating Disbursements</i>	<u>(402,796)</u>
<i>Income before Transfers</i>	589,889
Transfers In	227,000
Transfers Out	<u>(247,000)</u>
<i>Net Change in Fund Cash Balances</i>	569,889
<i>Fund Cash Balances, January 1</i>	<u>1,920,243</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,490,132</u></u>

See accompanying notes to the financial statements.

Village of Granville, Ohio

Licking County

*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

All Fiduciary Fund Types

For the Year Ended December 31, 2023

	Mayor's Court
Additions	
Fines, Licenses and Permits	\$112,087
<i>Total Additions</i>	112,087
Deductions	
Distributions to Other Governments	23,857
Distributions to Other Funds (Primary Gov't)	87,952
<i>Total Deductions</i>	111,809
<i>Net Change in Fund Balances</i>	278
<i>Fund Cash Balances, January 1</i>	7,687
<i>Fund Cash Balances, December 31</i>	\$7,965

See accompanying notes to the financial statements.

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

Note 1 – Reporting Entity

The Village of Granville (the Village), Licking County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected seven-member Council directs the Village. The Village operates by charter as passed by the voters in 1964. The Village provides general governmental services, including water and sewer utilities, park operations, and police services. The Village receives fire protection from Granville Township.

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 12 and 13 to the financial statements provide additional information for these entities.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

General Fund – The general fund is the main operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Highway Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village highways.

Park Land Reserve Fund – This fund was created to help purchase, develop, and maintain publicly owned recreation sites and facilities within the Village.

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

Permissive Motor Vehicle License Fund – The Village requested \$61,200 from the County Permissive Tax Fund to pay for a portion of the 2023 paving project.

Bryn Du Fund – This fund accounts for expenditures and revenues attributable to the Bryn Du property.

American Rescue Plan Fund – In late March of 2020, a global pandemic hit with the onset of the COVID-19 virus. The Village requested its share of funds from the US Treasury to assist with necessary expenditures incurred due to the public health emergency with respect to COVID-19. The Village received its first round of funding in July of 2021 totaling \$309,853. A second round of funding totaling \$311,090 was received in July of 2022. This fund is restricted to pay for costs incurred from March 3, 2021 through December 31, 2024.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. These funds are also used for payment of special assessments. The Village had the following significant Debt Service Funds:

Special Assessments Fund – This fund collects assessments from the County Auditor to repay debt. The debt was paid in full in 2016. A balance exists in this account.

Service Complex Bond Retirement Fund – This fund was established in 2018 to account for premiums earned from the sale of a \$2.9 M note. The note was used to construct a new Service Center Building. The Village has been paying down the note and rolling over the balance to a new note each year. In 2023, the Village paid down \$300,000 and issued a new note in the amount of \$1,635,000.

Munson Springs Bond Retirement Fund – This fund was established in 2022 to account for premiums earned from the sale of a \$2 M note which was used to purchase the Munson Springs property on Newark Granville Road. Part of the property will be a nature preserve. The Village has been paying down the note and rolling over the balance to a new note each year. In 2023, the Village paid down \$500,000 and issued a new note in the amount of \$1,000,000.

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 Village had the following significant capital project funds:

Capital Project Reserve Fund – This fund receives transfers from the General Fund that are then used for construction of and improvements to various capital projects throughout the Village.

Equipment Reserve Fund – This fund receives transfers from several funds and is used to purchase and maintain Village equipment.

Road Improvement Reserve Fund – This fund receives transfers from the General Fund and is used to repair, construct, and maintain Village streets.

Weaver/River Road TIF Fund – This fund was created in 2022 to account for money received from the Weaver/River Road Tax Incremental Financing district. Money received in this fund will be used for infrastructure in the TIF area.

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

Hplex TIF 1 – This fund was created in 2023 to account for money received from the Hplex Tax Incremental Financing District. Money received in this fund will be used for infrastructure in the TIF area.

OWDA Capital Project Fund – This fund is used to account for revenue and expenses associated with the Ohio Water Development Authority’s (OWDA) loan for the design of water treatment improvements and a water storage tank. OWDA distributes the loan proceeds to the Village upon the receipt of invoices associated with the project.

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

Water Fund - This fund receives charges for services from residents and businesses to cover the cost of providing the water utility.

Sewer Fund - This fund receives charges for services from residents and businesses to cover the cost of providing the sewer utility.

Sewer Replacement & Improvement Fund – This fund receives revenue from customers who purchase new sewer taps and from transfers from the Sewer Fund. Revenue is used to help offset the cost of waste water capital improvement projects.

Water Capital Improvement Fund – This fund receives revenue from customers who purchase new water taps and from transfers from the Water Fund. Revenue is used to help offset the cost of water capital improvement projects.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other government. The Village has the following custodial fund:

Mayor’s Court Fund - This fund receives fines and fees levied for traffic violations as prescribed by Village Ordinance. The funds are distributed to various agencies as prescribed by the Ohio Revised Code.

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 Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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

Budgetary Process

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

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

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

Encumbrances - The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated. A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Village'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.

Repurchase (sweep) Agreements and US Treasury Notes are valued at cost. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 – Budgetary Activity

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

2023 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,350,905	\$6,369,658	\$18,753
Special Revenue	\$467,126	\$466,891	(\$235)
Debt Service	\$3,586,260	\$3,586,270	\$10
Capital Project	\$873,997	\$873,994	(\$3)
Enterprise	\$2,852,804	\$2,852,708	(\$96)
TOTAL	\$14,131,092	\$14,149,521	\$18,429

2023 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,965,579	\$6,985,018	\$980,561
Special Revenue	\$975,144	\$737,236	\$237,908
Debt Service	\$3,578,913	\$3,577,472	\$1,441
Capital Project	\$868,918	\$780,118	\$88,800
Enterprise	\$3,331,441	\$2,888,692	\$442,749
TOTAL	\$16,719,995	\$14,968,536	\$1,751,459

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

Note 4 – Deposits and Investments

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

Cash Management Pool:	2023
Demand Deposits	\$7,835,811
Total Deposits	\$7,835,811
Investments:	
CDARS	\$2,400,000
US Treasury Notes	\$293,775
Total Investments	\$2,693,775
Total Deposits & Investments	\$10,529,586
Segregated Accounts not held in pool:	
Payroll Clearing Account not held in pool	\$29,054
Total Outside Accounts	\$29,054

Payroll Clearing Account

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution's public entity deposit pool 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.

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

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Repurchase agreements are covered by collateral held by third party trustees. Mutual funds are not evidences by securities that exist in physical or book entry form.

Note 5 – Taxes

Property Taxes

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

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

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village 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 Village has obtained commercial insurance for the following risks:

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

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

Risk Pool Membership

The Village joined the Central Ohio Health Care Consortium (COHCC), a risk sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The pool consists of eleven political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage. The Pool is governed by a Board of Directors consisting of one director appointed by each member municipality. The Board elects a chairman, vice-chairman, secretary, and treasurer. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool are subject to approval of the Board.

The Village pays monthly contributions to the Pool, which are used to purchase excess loss insurance for the Pool, pay current claims and related claim settlement expenses and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The members' contributions represent 115% of the expected costs of the Pool, which will allow the Pool to establish excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the Pool's operation. Financial information for the COHCC can be obtained from Matthew Peoples, Chairman, COHCC, 36 S. High Street, Canal Winchester, Ohio 43110.

The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid to an individual in excess of \$175,000. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of \$12,978,197, to a maximum of \$1,000,000 annually. In the event that the losses of the consortium in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which claim was made. No such loss has occurred in the past five years.

The Village currently has no specified percentage share of the Pool. The only time at which a percentage share would be calculated occurs if the Board votes to terminate ongoing operations. After a vote to terminate the Pool, the Board would wind-up the Pool's business as quickly as practical, but in any event would complete this process no later than twelve months after the termination date. During such period, the Pool would continue to pay all claims and expenses until the Pool's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve-month period, any remaining surplus funds held by the Pool would be paid to the members of the Pool who are members as of the termination date. The Board would determine the manner in which surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the Pool for the prior three calendar years of the Pool bore to all members' contributions to the Pool for that same period.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

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

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

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

	Principal	Interest Rate
Bond Anticipation Note – Service Complex	\$1,635,000	4.625%
Bond Anticipation Note – Munson Springs	\$1,000,000	6%
Ohio Water Development Authority Loan	\$242,636	2.35%
Ohio Water Development Authority Loan	\$740,453	0.430%
Ohio Public Works Commission Loan	<u>\$101,709</u>	0%
Total	\$3,719,798	

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

One Bond Anticipation Note relates to the sale of \$2.9 M in notes for the construction of a new Service Center Complex. Construction on the project started in late 2018, and was completed in 2019. The note has been paid down and rolled over annually.

The second Bond Anticipation Note relates to the purchase of the Munson Springs property on Newark Granville Road. The Village purchased the property from the Southgate Corporation financing \$2,000,000 of the total cost in notes. Part of the property will be dedicated as a nature preserve. The Village intends to pay down the note and roll the note over annually.

The first Ohio Water Development Authority (OWDA) loan relates to the Ultraviolet Disinfection & Air Piping WWTP Upgrade. The OWDA approved a \$482,912 loan to the Village for this project. The loan will be repaid in semiannual installments, payable in various amounts, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover the OWDA debt service requirements. The loan is slated to be paid in full in 2032.

The second OWDA loan is for water system improvements and a water storage tank. An initial design loan was issued in June, 2020. A construction loan was issued in 2022 combining the design loan and construction loan into one. The construction was ongoing at the end of 2022 with a target completion date of February, 2023. The estimated total loan amount is \$843,575.40. This is a 20-year loan with a 0.43% interest rate. The OWDA will adjust scheduled payments to reflect any revisions in amounts the Village actually borrows. The Village has agreed to set utility rates sufficient to cover the OWDA debt service requirements. The loan is collateralized by water and sewer receipts. Because the project is not yet complete, there is not an amortization schedule at this time.

The Ohio Public Works Commission loan is a 20-year 0% loan used for East and West Broadway Improvements that were completed in 2016. General Fund revenue repays the debt in semiannual payments. The loan is slated to be paid in full in 2036.

Amortization

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

Year Ending December 31:	Bond Anticipation Note	Bond Anticipation Note	OWDA Loan	OPWC Loan
2024	\$1,710,408	\$1,060,000	\$31,658	\$12,349
2025			31,658	12,349
2026			31,658	12,349
2027			31,658	12,349
2028			31,658	12,349
2029-2033			110,803	39,964
Total	\$1,710,408	\$1,060,000	\$269,093	\$101,709

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

Note 10 – Construction and Contractual Commitments

The Village will be installing a roundabout on SR 661 at New Burg Street in 2024. The estimated Village share of the project is \$1,00,000. The exact cost to the Village is unknown as the project is scheduled to sell in February, 2024. The Village plans on securing a SIB loan through the Ohio Department of Transportation in the amount of \$704,000 at 3% for 12 years.

Note 11 – Contingent Liabilities

The Village is defendant in a lawsuit. Although management cannot presently determine the outcome of the suit, management believes that the resolution of this matters will not materially adversely affect the Village's financial condition.

Note 12 – Jointly Governed Organizations

The Granville Recreation District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating entities: the Village of Granville, Granville Township, and the Granville Exempted Village School District. It was established in 2009.

Note 13 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
Nonspendable:						
Corpus					\$110	\$110
Outstanding Encumbrances	\$385,137	\$14,920	\$605,873	\$10,944	0	1,016,874
<i>Total</i>	<u>\$385,137</u>	<u>\$14,920</u>	<u>\$605,873</u>	<u>\$10,944</u>	<u>\$110</u>	<u>\$1,016,984</u>

Village of Granville, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2023

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 the permanent fund is nonspendable. These nonspendable, restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent fund would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – 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. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines

Note 16 – Subsequent Event

The Village issued a Waterline Replacement Bond Anticipation Note for \$2 million, for a waterline replacement project known as Boosted Zone 1 Phase I waterline replacement. The note was sold in 2024 with construction starting shortly after. The project is ongoing with an estimated completion date of spring 2025. The Village intends to pay down the note and roll over the note annually.

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

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Combined Total
Cash Receipts						
Property and Other Local Taxes	\$552,813			\$207,539		\$760,352
Municipal Income Tax	4,978,874					4,978,874
Intergovernmental	156,576	\$588,332				744,908
Fines, Licenses and Permits	179,790	7,000				186,790
Earnings on Investments	48,755					48,755
Miscellaneous	112,175					112,175
<i>Total Cash Receipts</i>	<u>6,028,983</u>	<u>595,332</u>	<u>\$0</u>	<u>207,539</u>	<u>\$0</u>	<u>6,831,854</u>
Cash Disbursements						
Current:						
Security of Persons and Property	1,785,300					1,785,300
Public Health Services	24,661					24,661
Leisure Time Activities		30,000				30,000
Community Environment	137,633					137,633
Transportation	827,297	210,600				1,037,897
General Government	1,387,978	20,003		65,324		1,473,305
Capital Outlay	595,214	290,648	2,000,000	486,278		3,372,140
Debt Service:						
Principal Retirement	6,175		4,235,000			4,241,175
Interest and Fiscal Charges			55,260			55,260
<i>Total Cash Disbursements</i>	<u>4,764,258</u>	<u>551,251</u>	<u>6,290,260</u>	<u>551,602</u>	<u>0</u>	<u>12,157,371</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,264,725</u>	<u>44,081</u>	<u>(6,290,260)</u>	<u>(344,063)</u>	<u>0</u>	<u>(5,325,517)</u>
Other Financing Receipts (Disbursements)						
Sale of Notes			5,435,000			5,435,000
Loans Issued				398,565		398,565
Other Debt Proceeds			20,520			20,520
Transfers In		196,000	828,945	367,500		1,392,445
Transfers Out	(1,372,445)					(1,372,445)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,372,445)</u>	<u>196,000</u>	<u>6,284,465</u>	<u>766,065</u>	<u>0</u>	<u>5,874,085</u>
<i>Net Change in Fund Cash Balances</i>	<u>(107,720)</u>	<u>240,081</u>	<u>(5,795)</u>	<u>422,002</u>	<u>0</u>	<u>548,568</u>
<i>Fund Cash Balances, January 1</i>	<u>4,544,509</u>	<u>1,030,671</u>	<u>51,991</u>	<u>2,227,670</u>	<u>110</u>	<u>7,854,951</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,436,789</u>	<u>\$1,270,752</u>	<u>\$46,196</u>	<u>\$2,649,672</u>	<u>\$110</u>	<u>\$8,403,519</u>

See accompanying notes to the financial statements.

Village of Granville, Ohio
Licking County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$2,079,698
Fine, Licenses, and Permits	113,612
Miscellaneous	<u>8,818</u>
<i>Total Operating Cash Receipts</i>	<u>2,202,128</u>
Operating Cash Disbursements	
Personal Services	467,649
Employee Fringe Benefits	199,541
Contractual Services	596,010
Supplies and Materials	268,538
Claims	<u>220</u>
<i>Total Operating Cash Disbursements</i>	<u>1,531,958</u>
<i>Operating Income</i>	<u>670,170</u>
Non-Operating Disbursements	
Capital Outlay	(696,245)
Principal Retirement	(24,917)
Interest and Other Fiscal Charges	<u>(6,741)</u>
<i>Total Non-Operating Disbursements</i>	<u>(727,903)</u>
<i>Income before Transfers</i>	(57,733)
Transfers In	227,000
Transfers Out	<u>(247,000)</u>
<i>Net Change in Fund Cash Balances</i>	(77,733)
<i>Fund Cash Balances, January 1</i>	<u>1,997,976</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,920,243</u></u>

See accompanying notes to the financial statements.

Village of Granville, Ohio*Licking County**Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)**All Fiduciary Fund Types**For the Year Ended December 31, 2022*

	Mayor's Court
Additions	
Fines, Licenses and Permits	\$138,949
<i>Total Additions</i>	138,949
Deductions	
Distributions to Other Governments	27,927
Distributions to Other Funds (Primary Gov't)	113,523
<i>Total Deductions</i>	141,450
<i>Net Change in Fund Balances</i>	(2,501)
<i>Fund Cash Balances, January 1</i>	10,188
<i>Fund Cash Balances, December 31</i>	\$7,687

See accompanying notes to the financial statements.

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Granville (the Village), Licking County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected seven-member Council directs the Village. The Village operates by charter as passed by the voters in 1964. The Village provides general governmental services, including water and sewer utilities, park operations, and police services. The Village receives fire protection services from Granville Township.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village uses fund accounting to segregate cash and investments and 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 Village classifies its funds into the following types:

General Fund - The general fund is the main operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village highways.

Park Land Reserve Fund - This fund was created to help purchase, develop, and maintain publicly owned recreation sites and facilities within the Village.

Bryn Du Fund - This fund accounts for expenditures and revenues attributable to the Bryn Du property.

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

American Rescue Plan Fund – In late March of 2020, a global pandemic hit with the onset of the COVID-19 virus. The Village requested its share of funds from the US Treasury to assist with necessary expenditures incurred due to the public health emergency with respect to COVID-19. The Village received its first round of funding in July of 2021 totaling \$309,853. A second round of funding totaling \$311,090 was received in July of 2022.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. These funds are also used for payment of special assessments. The Village had the following significant Debt Service Funds:

Special Assessments Fund – This fund collects assessments from the County Auditor to repay debt. The debt was paid in full in 2016. A balance exists in this account.

Service Complex Bond Retirement Fund – This fund was established in 2018 to account for premiums earned from the sale of a \$2.9 M note. The note was used to construct a new Service Center Building. The Village will pay down the note and rollover the balance to a new note each year.

Munson Springs Bond Retirement Fund – This fund was established in 2022 to account for premiums earned from the sale of a \$2 M note which was used to purchase the Munson Springs property on Newark Granville Road. Part of the property will be a nature preserve.

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 Village had the following significant capital project funds:

Capital Project Reserve Fund – This fund receives transfers from the General Fund that are then used for construction of and improvements to various capital projects throughout the Village.

Equipment Reserve Fund – This fund receives transfers from several funds and is used to purchase and maintain Village equipment.

Road Improvement Reserve Fund – This fund receives transfers from the General Fund and is used to repair, construct, and maintain Village streets.

Weaver/River Road TIF Fund – This fund was created in 2022 to account for money received from the Weaver/River Road Tax Incremental Financing district. Money received in this fund will be used for infrastructure in the TIF area.

OWDA Capital Project Fund – This fund is used to account for revenue and expenses associated with the Ohio Water Development Authority's (OWDA) loan for the design of water treatment improvements and a water storage tank. OWDA distributes the loan proceeds to the Village upon the receipt of invoices associated with the project.

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

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Water Fund - This fund receives charges for services from residents and businesses to cover the cost of providing the water utility.

Sewer Fund - This fund receives charges for services from residents and businesses to cover the cost of providing the sewer utility.

Sewer Replacement & Improvement Fund – This fund receives revenue from customers who purchase new sewer taps. Revenue is used to help offset the cost of waste water capital improvement projects.

Water Capital Improvement Fund – This fund receives revenue from customers who purchase new water taps. Revenue is used to help offset the cost of water capital improvement projects.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following custodial fund:

Mayor's Court Fund - This fund receives fines and fees levied for traffic violations as prescribed by Village Ordinance. The funds are distributed to various agencies as prescribed by the Ohio Revised Code.

Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes and permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the prescribed or permitted by the Auditor of State.

Budgetary Process

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

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

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

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Encumbrances - The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Village'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.

Repurchase (sweep) Agreements and US Treasury Notes are valued at cost.

Money market mutual funds are recorded at share values the mutual funds report

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 is as follows:

2022 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,968,950	\$6,028,983	\$60,033
Special Revenue	788,940	791,332	2,392
Debt Service	6,284,465	6,284,465	0
Capital Project	962,366	973,604	11,238
Enterprise	2,417,524	2,429,128	11,604
TOTAL	\$16,422,245	\$16,507,512	\$85,267

2022 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,444,318	\$6,228,798	\$1,215,520
Special Revenue	812,468	588,958	223,510
Debt Service	6,290,260	6,290,260	0
Capital Project	999,859	943,920	55,939
Enterprise	3,382,239	2,921,050	461,189
TOTAL	\$18,929,144	\$16,972,986	\$1,956,158

Note 4 – Deposits and Investments

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

Cash Management Pool:	2022
Demand Deposits	\$140,995
Total Deposits	140,995
CDARS	2,400,000

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Sweep Accounts	7,508,413
US Treasury Notes	282,041
Total Investments	10,190,454
Total Deposits & Investments	\$10,331,449
Segregated Accounts not held in pool	
Payroll Clearing Account not held in pool	\$3,467
Total Outside Accounts	\$3,467

Payroll Clearing Account

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution's public entity deposit pool 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.

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form by, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Repurchase (sweep) agreements are held at Park National Bank and are covered by collateral held by third party trustees. Mutual funds are not evidences by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State

Village of Granville, Ohio
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 Village.

Income Taxes

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Note 6 – Risk Management

Worker's Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village 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 Village has obtained commercial insurance for the following risks:

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

Risk Pool Membership

The Village joined the Central Ohio Health Care Consortium (COHCC), a risk sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The pool consists of eleven political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage. The Pool is governed by a Board of Directors consisting of one director appointed by each member municipality. The Board elects a chairman, vice-chairman, secretary, and treasurer. The Board is responsible for its own financial matters and the Pool maintains its own books of account. Budgeting and financing of the Pool are subject to approval of the Board.

The Village pays monthly contributions to the Pool, which are used to purchase excess loss insurance for the Pool, pay current claims and related claim settlement expenses and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The

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members' contributions represent 115% of the expected costs of the Pool, which will allow the Pool to establish excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the Pool's operation. Financial information for the COHCC can be obtained from Matthew Peoples, Chairman, COHCC, 36 S. High Street, Canal Winchester, Ohio 43110.

The Pool has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the Pool for medical claims paid to an individual in excess of \$175,000. The aggregate excess loss coverage has been structured to indemnify the Pool for aggregate claims paid in excess of \$12,978,197, to a maximum of \$1,000,000 annually. In the event that the losses of the consortium in any year exceeds amounts paid to the Pool, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which claim was made. No such loss has occurred in the past five years.

The Village currently has no specified percentage share of the Pool. The only time at which a percentage share would be calculated occurs if the Board votes to terminate ongoing operations. After a vote to terminate the Pool, the Board would wind-up the Pool's business as quickly as practical, but in any event would complete this process no later than twelve months after the termination date. During such period, the Pool would continue to pay all claims and expenses until the Pool's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve-month period, any remaining surplus funds held by the Pool would be paid to the members of the Pool who are members as of the termination date. The Board would determine the manner in which surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the Pool for the prior three calendar years of the Pool bore to all members' contributions to the Pool for that same period.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System & Ohio Police and Fire Retirement System

The Village full time law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. OP&F members contributed 12.25% of their wages to OP&F. The Village contributed an amount equal to 19.5% of their wages. The Village has paid all contributions required through December 31, 2022.

OPERS members contributed 10% of their gross salaries for 2022. The Village contributed an amount equal to 14% of participant's gross salaries for 2022. The Village has paid all contributions required through December 31, 2022.

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For the Year Ended December 31, 2022

Social Security

Several Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. 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.

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
Bond Anticipation Note – Service Complex	\$1,935,000	4.1631
Bond Anticipation Note – Munson Springs	1,500,000	4.2336%
Ohio Water Development Authority Loan	268,142	2.35%
Ohio Water Development Authority Loan	490,883	0.43%
Ohio Public Works Commission Loan	<u>120,233</u>	0%
Total	\$4,313,428	

One Bond Anticipation Note relates to the sale of \$2.9 M in notes for the construction of a new Service Center Complex. Construction on the project started in late 2018, and was completed in 2019. The note has been paid down and rolled over annually.

The second Bond Anticipation Note relates to the purchase of the Munson Springs property on Newark Granville Road. The Village purchased the property from the Southgate Corporation financing \$2,000,000 of the total cost in notes. Part of the property will be dedicated as a nature preserve. The Village intends to pay down the note and roll the note over annually.

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For the Year Ended December 31, 2022

The first Ohio Water Development Authority (OWDA) loan relates to the Ultraviolet Disinfection & Air Piping WWTP Upgrade. The OWDA approved a \$482,912 loan to the Village for this project. The loan will be repaid in semiannual installments, payable in various amounts, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover the OWDA debt service requirements.

The second OWDA loan is for water system improvements and a water storage tank. An initial design loan was issued in June, 2020. A construction loan was issued in 2022 combining the design loan and construction loan into one. The construction was ongoing at the end of 2022 with a target completion date of February, 2023. The estimated total loan amount is \$843,575.40. This is a 20-year loan with a 0.43% interest rate. The OWDA will adjust scheduled payments to reflect any revisions in amounts the Village actually borrows. The Village has agreed to set utility rates sufficient to cover the OWDA debt service requirements. The loan is collateralized by water and sewer receipts. Because the project is not yet complete, there is not an amortization schedule at this time.

The Ohio Public Works Commission loan is a 0% loan used for East and West Broadway Improvements that were completed in 2016. General Fund revenue repays the debt in semiannual payments.

Amortization

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

Year Ending December 31:	Bond Anticipation Note	Bond Anticipation Note	OWDA Loan	OPWC Loan
2023	\$2,016,464	\$1,562,449	\$31,658	\$12,349
2024			31,658	12,349
2025			31,658	12,349
2026			31,658	12,349
2027			31,658	12,349
2028-2032			142,461	58,488
TOTALS	\$2,046,464	\$1,562,449	\$300,751	\$120,233

Note 10 – Jointly Governed Organizations

The Granville Recreation District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating entities: the Village of Granville, Granville Township, and the Granville Exempted Village School District. It was established in 2009.

Note 11 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of Granville, Ohio
Licking County
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For the Year Ended December 31, 2022

Note 12 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Enterprise</u>	<u>Total</u>
Nonspendable:						
Corpus				\$110		\$110
Outstanding Encumbrances	\$92,095	\$37,707	\$392,318	0	\$414,189	\$936,309
<i>Total</i>	<u>\$92,095</u>	<u>\$37,707</u>	<u>\$392,318</u>	<u>\$110</u>	<u>\$414,189</u>	<u>\$936,419</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent fund is nonspendable. These nonspendable, restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include 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 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Village of Granville
Licking County
141 E. Broadway
PO Box 514
Granville, Ohio 43023

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Granville, Licking County, (the Village) and have issued our report thereon dated July 29, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 29, 2025



Village of Granville 141 E Broadway PO Box 514 Granville, OH 43023

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Status	Additional Information
2021-001	Errors were noted in the Village's financial statements that required audit adjustments and reclassifications.	Corrective Action Taken and Findings are Partially Corrected.	Similar finding was repeated in the Management Letter.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF GRANVILLE

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 8/26/2025

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

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