



**GRANVILLE TOWNSHIP
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**GRANVILLE TOWNSHIP
LICKING COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Granville Township, Licking County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Granville Township, Licking County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Fire, Road and Bridge, and Open Space Preservation Levy funds thereof for the years then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

August 13, 2010

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

This discussion and analysis of the Granville Township (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights are as follows:

Net assets of governmental activities decreased \$1,425,490 or 17 percent from 2008 to 2009, and an increase of \$1,225,396 or 15 percent from 2007 to 2008. The funds most affected by the decrease in cash and cash equivalents in 2009 were the Open Space Preservation Levy Fund and the General Fund. The primary decreases in the Open Space Preservation Levy Fund and the General Fund were due to the increased debt payments and construction projects throughout the year along with lower interest earnings on investments in 2008. The fund most responsible for the increase in cash and cash equivalents in 2008 was the Open Space Preservation Levy Fund primarily due to the Township paying on debt in 2007 and a decrease in disbursements.

The Township's general receipts are primarily property taxes. These receipts represent respectively \$3,402,147 or 68 percent and \$3,447,147 or 72 percent of the total cash received for governmental activities during 2009 and 2008.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, all of the Township's activities are governmental. Most of the Township's basic services are reported here, including fire, streets, recreation, cemetery, land preservation and roads and bridges. Property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the Township funds are governmental.

Governmental Funds - The Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Road and Bridge, Fire, Open Space Preservation Levy, and Fire Equipment Capital Projects Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 and 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$7,017,462	\$8,442,952	\$7,217,556
Total Assets	\$7,017,462	\$8,442,952	\$7,217,556
Net Assets			
Restricted for:			
Capital Outlay	1,109,695	936,317	508,056
Nonexpendable	176,759	176,759	176,759
Other Purposes	5,304,671	6,554,041	6,039,019
Unrestricted	426,337	775,835	493,722
Total Net Assets	\$7,017,462	\$8,442,952	\$7,217,556

As mentioned previously, net assets of Governmental activities decreased \$1,425,490 or 17 percent during 2009 and increased \$1,225,396 or 15 percent occurred during 2008. The primary reasons contributing to the decreases in cash balances in 2009 and the increases in cash balances in 2008 are as follows:

- The increase in 2008 from 2007 was primarily due to 2008 having much larger beginning balance than 2007, which was partially offset by a decrease in receipts in 2008.
- In 2009, the Township had several streets repair projects for the roads.
- In 2009, the Township made an early debt payment to Park National Bank for the new construction bonds of the Township Garage in the amount of \$170,000
- In 2009, the Township redeemed the debt for the Kennedy/Rader Notes in the amount of \$980,000.
- In 2009 the Township's investment earnings were less in 2008 due to lower interest rates.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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Table 2 reflects the changes in net assets on a cash basis in 2009, 2008, and 2007 for governmental activities.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$307,991	\$271,633	\$202,757
Operating Grants and Contributions	101,444	125,452	98,352
Capital Grants and Contributions	0	153,599	761,905
Total Program Receipts	<u>409,435</u>	<u>550,684</u>	<u>1,063,014</u>
General Receipts:			
Property and Other Local Taxes	3,402,471	3,447,148	3,340,271
Grants and Entitlements Not Restricted to Specific Programs	873,674	955,235	727,105
Bonds Issued	550,000	0	0
Sale of Fixed Assets	3,500	46,192	62,915
Earnings on Investments	23,224	206,305	335,144
Miscellaneous	140,669	103,782	1,294,578
Total General Receipts	<u>4,993,538</u>	<u>4,758,662</u>	<u>5,760,013</u>
Total Receipts	<u>5,402,973</u>	<u>5,309,346</u>	<u>6,823,027</u>
Disbursements:			
General Government	539,460	480,590	576,095
Public Safety	1,063,795	915,151	798,911
Public Works	823,101	760,550	952,175
Health	183,333	176,108	176,528
Conservation-Recreation	36,039	10,197	12,886
Capital Outlay	2,943,230	1,567,915	1,900,717
Debt Service:			
Principal Retirement	1,225,400	157,800	175,521
Interest and Fiscal Charges	14,105	15,639	0
Total Disbursements	<u>6,828,463</u>	<u>4,083,950</u>	<u>4,592,833</u>
Excess (Deficiency) Before Transfers	(1,425,490)	1,225,396	2,230,194
Transfers		0	0
Increase (Decrease) in Net Assets	<u>(1,425,490)</u>	<u>1,225,396</u>	<u>2,230,194</u>
Net Assets, January 1	<u>8,442,952</u>	<u>7,217,556</u>	<u>4,987,362</u>
Net Assets, December 31	<u>\$7,017,462</u>	<u>\$8,442,952</u>	<u>\$7,217,556</u>

Program receipts represent only 10 percent of total receipts in 2009 and 2008, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees provided under contract.

General receipts represent 90 percent of the Township's total receipts in 2009 and 2008, and of these amounts, over 68 and 72 respectively percent are local taxes. State and federal grants and entitlements make up 17 and 20 percent respectively of the Township's general receipts. For 2009 and 2008 other receipts are insignificant and somewhat unpredictable revenue sources.

**GRANVILLE TOWNSHIP
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
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Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of most of the Trustees and Fiscal Officer's salaries as well as the operation of the zoning and building departments. Security of Persons and Property is the cost of fire protection; Public Works is the cost of Road Maintenance; Capital Outlay is the cost of equipment and other improvements of the Township; and Debt Service is for the repayment of debt.

Governmental Activities

If you look at the Statement of Activities on page 12 and 18, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. In 2009, the major program disbursements for governmental activities are for capital outlay, principal retirement, and public safety, which account for 44, 18, and 14 percent of all governmental disbursements, respectively. The major program disbursements for governmental activities are for capital outlay, public safety, and public works, which account for 43, 20, and 18 percent of all governmental disbursements in 2008, respectively. General government also represents a significant cost, about 8 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Governmental Activities			
	Total Cost	Net Cost	Total Cost	Net Cost
	of Services	of Services	of Services	of Services
	2009	2009	2008	2008
General Government	\$539,460	\$539,460	\$480,590	\$480,590
Public Safety	1,063,795	835,884	915,151	567,154
Public Works	823,101	722,807	760,550	653,594
Health	183,333	179,648	176,108	169,258
Human Services	0	(35,295)	0	(31,385)
Conservation-Recreation	36,039	26,789	10,197	(14,299)
Other	0	(33,000)	0	(33,000)
Capital Outlay	2,943,230	2,943,230	1,567,915	1,567,915
Principal Retirement	1,225,400	1,225,400	157,800	157,800
Interest and Fiscal Charges	14,105	14,105	15,639	15,639
Total Expenses	\$6,828,463	\$6,419,028	\$4,083,950	\$3,533,266

The dependence upon property tax receipts is apparent as over 53 percent and 81 percent of governmental activities are supported through these general receipts in 2009 and 2008.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

The Township's Funds

Total governmental funds had receipts of \$5,263,153 and disbursements of \$4,083,949 in 2008, while total receipts of \$8,106,527 and disbursements of \$5,876,333 in 2007. The greatest changes that occurred from 2007 to 2008 was the OPWC fund was not a major fund nor had any activity in it in 2008.

General Fund receipts were more than disbursements in 2008 by \$288,993 indicating that the General Fund is in a positive spending situation.

Total governmental funds had receipts of \$4,849,322 and disbursements of \$6,828,462 in 2009 while total receipts of \$5,513,201 and disbursements of \$4,287,805 in 2008. The greatest change within governmental funds occurred within the Open Space Preservation Levy Fund and the General Fund. In 2009, the fund balance of the Open Space Levy Fund decreased \$1,363,546 primarily due to increased debt payments for paying off Bonds before maturity, as well as a decrease in earnings on investments due to less cash being invested along with lower interest rates. From 2008 to 2009 the fund balance of the General Fund decreased \$349,497 as the result of less tax revenue and increased capital outlay costs for the construction of the Township Garage.

General Fund receipts were less than disbursements in 2009 by \$347,147 indicating that the General Fund is in a deficit spending situation. This was mostly due to the Township saving up inheritance tax receipts in 2008 to utilize as a down payment for construction of the new Township garage in 2009.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2009 and 2008, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts in 2009 and 2008 were above original budgeted receipts due to an increase in unexpected intergovernmental receipts. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$862,082 while actual disbursements were \$634,337 in 2009. Final disbursements were budgeted at \$1,049,758 while actual disbursements were \$516,633 in 2008. The Township experienced higher receipts than budget and appropriations were budgeted higher than actual disbursements.

Capital Assets and Debt Administration

Capital Assets

The Township does not report its capital assets and infrastructure. The Township does perform an annual inventory valuation of assets.

Debt

At December 31, 2009, the Township's outstanding debt included \$627,100 in general obligation bonds. The majority of the outstanding debt was issued for improvements to buildings and structures and the purchase of land. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Township relies heavily on local residential and agricultural property taxes and have little industry to support the tax base. The Tangible Personal Property Tax assessed upon business assets other than land and buildings was eliminated by the State, on a step down basis, several years ago. In 2008 Tangible Property asset values were assessed at 6.25% and in 2009 the tax was no longer collected on a current basis. The only collections from the tax in the future will be payment of a State provided reducing subsidy amount to partially offset the lost tax revenue and collections of delinquent amounts due from when the tax was in existence. There is also the possibility of refund claims for overpaid Tangible Property taxes which will need to be returned by the Township.

The General Fund receives money from a .1 inside mil property tax, as well as Local Government Fund (LGF) distributions from the State, Inheritance Tax paid by the estates of decedents who were residents of the Township and other minimal amount categories. The Township is concerned LGF distributions have been reduced by the State since 2001 and this will happen again in the future as the Legislature seeks to balance its own budget. In addition, the inheritance tax which has provided a significant amount for the Township's General Fund is under continuing pressure to be eliminated.

The Township prepares a five year financial plan based upon prior year's actual numbers as a base and trend, as well as projected future revenues. It is difficult to look ahead but it is necessary to plan for delivery of services and expenditures in the future. In addition, there may be a need for additional sources of revenue which might include asking the voters for replacement of existing property taxes or additional new property taxes. Of particular concern is the impact of HB920 (passed in 1976) which limits the amount of future revenue to be received by negating the impact of inflationary property value increases. When service needs increase and expense costs rise unless there is an increase in revenues this will eventually cause a negative balance in a Fund. In accordance with State law a Township cannot have a negative balance.

The current five year plan shows future deficits in several of the Township's Funds. The Trustees have made changes in various planned expenditures and are reviewing various additional potential revenue sources. Of particular concern is the General Fund which is depends upon the State for a significant amount of its funding.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Norman Kennedy, Fiscal Officer, Granville Township, P.O. Box 315, Granville, Ohio 43023 or visit our website at <http://www.granvilletownship.org> for contact information.

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**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$7,017,462</u>
<i>Total Assets</i>	<u><u>\$7,017,462</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$1,109,695
Nonexpendable	176,759
Other Purposes	5,304,671
Unrestricted	<u>426,337</u>
<i>Total Net Assets</i>	<u><u>\$7,017,462</u></u>

See accompanying notes to the basic financial statements

GRANVILLE TOWNSHIP
LICKING COUNTY

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	General	Road and Bridge Fund	Fire Fund	Open Space Preservation Levy Fund	Fire Equipment Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$426,337	\$441,890	\$1,063,201	\$3,180,227	\$1,109,695	\$796,113	\$7,017,463
Total Assets	\$426,337	\$441,890	\$1,063,201	\$3,180,227	\$1,109,695	\$796,113	\$7,017,463
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$13,399	\$7,522	\$25,612	\$173,002	\$0	\$110,517	\$330,052
Reserved for Endowment	0	0	0	0	0	176,759	176,759
Unreserved:							
Designated:							
For Future Debt Payments	0	0	0	247,100	0	90,000	337,100
For Future Capital Expenditures	0	0	0	0	1,109,695	0	1,109,695
Undesignated, Reported in:							
General Fund	412,938	0	0	0	0	0	412,938
Special Revenue Funds	0	434,368	1,037,589	2,760,125	0	418,837	4,650,919
Capital Projects Funds	0	0	0	0	0	0	0
Permanent Fund	0	0	0	0	0	0	0
Total Fund Balances	\$426,337	\$441,890	\$1,063,201	\$3,180,227	\$1,109,695	\$796,113	\$7,017,463

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Road and Bridge Fund	Fire Fund	Open Space Preservation Levy Fund	Fire Equipment Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$26,726	\$618,811	\$1,173,267	\$863,704	\$0	\$719,963	\$3,402,471
Charges for Services	0	0	199,819	0	0	0	199,819
Licenses, Permits and Fees	9,715	0	0	0	0	22,320	32,035
Intergovernmental	194,270	126,854	244,517	161,632	0	250,380	977,653
Interest	20,405	0	0	0	0	2,819	23,224
Other	20,175	71,393	78,811	17,270	6,714	19,757	214,120
<i>Total Receipts</i>	<u>271,291</u>	<u>817,058</u>	<u>1,696,414</u>	<u>1,042,606</u>	<u>6,714</u>	<u>1,015,239</u>	<u>4,849,322</u>
Disbursements							
Current:							
General Government	156,181	0	0	46,039	0	337,239	539,459
Public Safety	0	0	1,058,452	0	0	5,343	1,063,795
Public Works	397	667,881	0	0	0	154,823	823,101
Health	23,683	0	0	0	0	159,651	183,334
Human Services	0	0	0	0	0	0	0
Conservation-Recreation	33,865	0	0	0	0	2,174	36,039
Capital Outlay	305,645	667,368	131,526	1,319,925	8,336	510,429	2,943,229
Debt Service:							
Principal Retirement	100,000	70,000	0	1,040,400	0	15,000	1,225,400
Interest and Fiscal Charges	1,167	0	0	9,788	0	3,150	14,105
<i>Total Disbursements</i>	<u>620,938</u>	<u>1,405,249</u>	<u>1,189,978</u>	<u>2,416,152</u>	<u>8,336</u>	<u>1,187,809</u>	<u>6,828,462</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(349,647)</u>	<u>(588,191)</u>	<u>506,436</u>	<u>(1,373,546)</u>	<u>(1,622)</u>	<u>(172,570)</u>	<u>(1,979,140)</u>
Other Financing Sources							
Sale of Capital Assets	0	3,500	0	0	0	0	3,500
Bonds Issued	0	550,000	0	0	0	0	550,000
Transfer In	0	0	0	0	175,000	0	175,000
Transfer Out	0	0	(175,000)	0	0	0	(175,000)
Other Financing Sources	150	0	0	0	0	0	150
<i>Total Other Financing Sources</i>	<u>150</u>	<u>553,500</u>	<u>(175,000)</u>	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>553,650</u>
<i>Net Change in Fund Balances</i>	<u>(349,497)</u>	<u>(34,691)</u>	<u>331,436</u>	<u>(1,373,546)</u>	<u>173,378</u>	<u>(172,570)</u>	<u>(1,425,490)</u>
<i>Fund Balances Beginning of Year</i>	<u>775,834</u>	<u>476,581</u>	<u>731,765</u>	<u>4,553,773</u>	<u>936,317</u>	<u>968,682</u>	<u>8,442,952</u>
<i>Fund Balances End of Year</i>	<u>\$426,337</u>	<u>\$441,890</u>	<u>\$1,063,201</u>	<u>\$3,180,227</u>	<u>\$1,109,695</u>	<u>\$796,112</u>	<u>\$7,017,462</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$25,434	\$26,722	\$26,726	\$4
Licenses, Permits and Fees	10,000	9,715	9,715	-
Intergovernmental	46,089	193,433	194,270	837
Interest	22,000	4,000	20,405	16,405
Other	0	12,275	20,175	7,900
<i>Total receipts</i>	<u>103,523</u>	<u>246,145</u>	<u>271,291</u>	<u>25,146</u>
Disbursements				
Current:				
General Government	387,179	362,179	169,580	192,599
Public Works	500	500	397	103
Health	28,000	28,000	23,683	4,317
Conservation-Recreation	50,250	42,250	33,865	8,385
Capital Outlay	253,531	327,362	305,645	21,717
Debt Service:				
Principal Retirement	0	100,623	100,000	623
Interest and Fiscal Charges	0	1,168	1,167	1
<i>Total Disbursements</i>	<u>719,460</u>	<u>862,082</u>	<u>634,337</u>	<u>227,745</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(615,937)</u>	<u>(615,937)</u>	<u>(363,046)</u>	<u>252,891</u>
Other Financing Sources (Uses)				
Other Financing Sources	0	0	150	150
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>
<i>Net Change in Fund Balance</i>	(615,937)	(615,937)	(362,896)	253,041
<i>Fund Balance Beginning of Year</i>	762,629	762,629	762,629	0
Prior Year Encumbrances Appropriated	13,205	13,205	13,205	0
<i>Fund Balance End of Year</i>	<u>\$159,897</u>	<u>\$159,897</u>	<u>\$412,938</u>	<u>\$253,041</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,088,886	\$1,091,794	\$1,173,267	\$81,473
Charges for Services	185,000	185,000	199,819	14,819
Intergovernmental	195,076	192,168	244,517	52,349
Interest	8,000	2,200	0	(2,200)
Other	40,000	40,000	78,811	38,811
<i>Total receipts</i>	<u>1,516,962</u>	<u>1,511,162</u>	<u>1,696,414</u>	<u>185,252</u>
Disbursements				
Current:				
General Government	135,580	139,280	0	139,280
Public Safety	1,705,000	1,695,500	1,083,935	611,565
Capital Outlay	228,885	228,885	131,655	97,230
<i>Total Disbursements</i>	<u>2,069,465</u>	<u>2,063,665</u>	<u>1,215,590</u>	<u>848,075</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(552,503)</u>	<u>(552,503)</u>	<u>480,824</u>	<u>1,033,327</u>
Transfer Out	(175,000)	(175,000)	(175,000)	0
<i>Net Change in Fund Balance</i>	<u>(727,503)</u>	<u>(727,503)</u>	<u>305,824</u>	<u>1,033,327</u>
<i>Fund Balance Beginning of Year</i>	664,664	664,664	664,664	0
Prior Year Encumbrances Appropriated	67,101	67,101	67,101	0
<i>Fund Balance End of Year</i>	<u>\$4,262</u>	<u>\$4,262</u>	<u>\$1,037,589</u>	<u>\$1,033,327</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$594,942	\$594,942	\$618,811	\$23,869
Intergovernmental	125,082	125,082	126,854	1,772
Other	0	50,000	71,393	21,393
<i>Total receipts</i>	<u>720,024</u>	<u>770,024</u>	<u>817,058</u>	<u>47,034</u>
Disbursements				
Current:				
Public Works	1,021,372	1,021,372	675,404	345,968
Capital Outlay	850,751	700,751	667,368	33,383
Debt Service:				
Principal Retirement	74,482	74,482	70,000	4,482
<i>Total Disbursements</i>	<u>1,946,605</u>	<u>1,796,605</u>	<u>1,412,772</u>	<u>383,833</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,226,581)</u>	<u>(1,026,581)</u>	<u>(595,714)</u>	<u>430,867</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	3,500	3,500
Bond Issued	750,000	550,000	550,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>750,000</u>	<u>550,000</u>	<u>553,500</u>	<u>3,500</u>
<i>Net Change in Fund Balance</i>	(476,581)	(476,581)	(42,214)	434,367
<i>Fund Balance Beginning of Year</i>	475,831	475,831	475,831	0
Prior Year Encumbrances Appropriated	751	751	751	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$434,368</u>	<u>\$434,367</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
OPEN SPACE PRESERVATION LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$822,897	\$823,834	\$863,704	\$39,870
Intergovernmental	162,570	161,632	161,632	0
Interest	25,000	10,000	0	(10,000)
Other	0	0	17,270	17,270
<i>Total receipts</i>	<u>1,010,467</u>	<u>995,466</u>	<u>1,042,606</u>	<u>47,140</u>
Disbursements				
Current:				
General Government	81,351	119,797	46,039	73,758
Capital Outlay	4,457,748	4,404,303	1,492,927	2,911,376
Debt Service:				
Principal Retirement	1,098,200	1,098,200	1,040,400	57,800
Interest and Fiscal Charges	22,177	22,177	9,788	12,389
<i>Total Disbursements</i>	<u>5,659,476</u>	<u>5,644,477</u>	<u>2,589,154</u>	<u>3,055,323</u>
<i>Net Change in Fund Balance</i>	<u>(4,649,009)</u>	<u>(4,649,011)</u>	<u>(1,546,548)</u>	<u>3,102,463</u>
<i>Fund Balance Beginning of Year</i>	3,310,583	3,310,583	3,310,583	0
Prior Year Encumbrances Appropriated	<u>1,243,189</u>	<u>1,243,189</u>	<u>1,243,189</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(\$95,237)</u>	<u>(\$95,239)</u>	<u>\$3,007,224</u>	<u>\$3,102,463</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,442,952</u>
<i>Total Assets</i>	<u><u>\$8,442,952</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$936,317
Nonexpendable	176,759
Other Purposes	6,554,041
Unrestricted	<u>775,835</u>
<i>Total Net Assets</i>	<u><u>\$8,442,952</u></u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$480,590	\$0	\$0	\$0	(\$480,590)
Public Safety	\$1,021,769	194,398	0	153,599	(673,772)
Public Works	\$653,932	0	106,956	0	(546,976)
Health	\$176,108	6,850	0	0	(169,258)
Human Services	\$1,636	31,385	0	0	29,749
Conservation-Recreation	\$8,561	6,000	18,496	0	15,935
Other	\$0	33,000	0	0	33,000
Capital Outlay	\$1,567,914	0	0	0	(1,567,914)
Debt Service:	\$0				
Principal Retirement	\$157,800	0	0		(157,800)
Interest and Fiscal Charges	\$15,639	0	0		(15,639)
Total Governmental Activities	<u>\$ 4,083,949</u>	<u>\$ 271,633</u>	<u>\$ 125,452</u>	<u>\$ 153,599</u>	<u>(3,533,265)</u>
General Receipts					
Property Taxes					
General Fund				138,592	
Road and Bridge Fund				656,727	
Fire Fund				1,177,496	
Open Space Preservation Levy Fund				856,498	
Other Purposes				617,834	
Grants and Entitlements not Restricted to Specific Programs				955,235	
Sale of Capital Assets				46,192	
Interest				206,305	
Miscellaneous				103,782	
Total General Receipts				4,758,661	
Change in Net Assets				1,225,396	
Net Assets Beginning of Year				7,217,556	
Net Assets End of Year				<u>\$8,442,952</u>	

See accompanying notes to the basic financial statements

GRANVILLE TOWNSHIP
LICKING COUNTY

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General	Road and Bridge Fund	Fire Fund	Open Space Preservation Levy Fund	Fire Equipment Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$775,834	\$476,581	\$731,765	\$4,553,773	\$936,317	\$968,682	\$8,442,952
Total Assets	\$775,834	\$476,581	\$731,765	\$4,553,773	\$936,317	\$968,682	\$8,442,952
Fund Balances							
Reserved:							
Reserved for Encumbrances	\$13,205	\$751	\$67,103	\$1,243,189	\$24,873	\$132,884	\$1,482,005
Reserved for Endowment	0	0	0	0	0	176,759	176,759
Unreserved:							
Designated:							
For Future Debt Payments	0	0	0	1,197,500	0	0	1,197,500
For Future Capital Expenditures	0	0	0	0	911,444	0	911,444
Undesignated, Reported in:							
General Fund	762,629	0	0	0	0	0	762,629
Debt Service Fund	0	475,830	664,662	2,113,084	0	659,039	3,912,615
Capital Projects Funds	0	0	0	0	0	0	0
Permanent Fund	0	0	0	0	0	0	0
Total Fund Balances	\$775,834	\$476,581	\$731,765	\$4,553,773	\$936,317	\$968,682	\$8,442,952

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Road and Bridge Fund	Fire Fund	Open Space Preservation Levy Fund	Fire Equipment Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$138,592	\$656,727	\$1,177,496	\$856,498	\$0	\$617,834	\$3,447,147
Charges for Services	0	0	180,584	0	0	0	180,584
Licenses, Permits and Fees	13,996	0	0	0	0	31,385	45,381
Intergovernmental	395,956	114,902	346,219	145,762	0	213,135	1,215,974
Interest	196,339	0	0	0	0	9,966	206,305
Other	40,658	30,071	55,482	17,970	0	23,581	167,762
<i>Total Receipts</i>	<u>785,541</u>	<u>801,700</u>	<u>1,759,781</u>	<u>1,020,230</u>	<u>0</u>	<u>895,901</u>	<u>5,263,153</u>
Disbursements							
Current:							
General Government	186,871	0	0	23,887	0	269,832	480,590
Public Safety	0	0	915,151	0	0	106,618	1,021,769
Public Works	389	653,543	0	0	0	0	653,932
Health	145,796	0	0	0	0	30,312	176,108
Human Services	0	0	0	0	0	1,636	1,636
Conservation-Recreation	8,561	0	0	0	0	0	8,561
Capital Outlay	58,562	64,988	499,146	63,784	562,183	319,251	1,567,914
Debt Service:							
Principal Retirement	100,000	0	0	57,800	0	0	157,800
Interest and Fiscal Charges	3,250	0	0	12,389	0	0	15,639
<i>Total Disbursements</i>	<u>503,429</u>	<u>718,531</u>	<u>1,414,297</u>	<u>157,860</u>	<u>562,183</u>	<u>727,649</u>	<u>4,083,949</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>282,112</u>	<u>83,169</u>	<u>345,484</u>	<u>862,370</u>	<u>(562,183)</u>	<u>168,252</u>	<u>1,179,204</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	0	0	6,192	0	40,000	0	46,192
Transfers In	0	0	0	0	175,000	0	175,000
Transfers Out	0	0	(175,000)	0	0	0	(175,000)
Advances In	14,428	0	0	0	0	14,428	28,856
Advances Out	(14,428)	0	0	0	0	(14,428)	(28,856)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(168,808)</u>	<u>0</u>	<u>215,000</u>	<u>0</u>	<u>46,192</u>
<i>Net Change in Fund Balances</i>	282,112	83,169	176,676	862,370	(347,183)	168,252	1,225,396
<i>Fund Balances Beginning of Year</i>	<u>493,722</u>	<u>393,412</u>	<u>555,089</u>	<u>3,691,403</u>	<u>1,283,500</u>	<u>800,430</u>	<u>7,217,556</u>
<i>Fund Balances End of Year</i>	<u>\$775,834</u>	<u>\$476,581</u>	<u>\$731,765</u>	<u>\$4,553,773</u>	<u>\$936,317</u>	<u>\$968,682</u>	<u>\$8,442,952</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$138,492	\$138,492	\$138,592	\$100
Licenses, Permits and Fees	10,000	10,000	13,996	3,996
Intergovernmental	48,826	392,499	395,956	3,457
Interest	30,000	30,000	196,339	166,339
Other	14,000	38,396	40,658	2,262
<i>Total receipts</i>	<u>241,318</u>	<u>609,387</u>	<u>785,541</u>	<u>176,154</u>
Disbursements				
Current:				
General Government	368,346	627,910	200,076	427,834
Public Works	500	500	389	111
Health	158,736	192,567	145,796	46,771
Conservation-Recreation	19,225	25,469	8,561	16,908
Capital Outlay	46,060	100,062	58,562	41,500
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	3,250	3,250	3,250	0
<i>Total Disbursements</i>	<u>696,117</u>	<u>1,049,758</u>	<u>516,634</u>	<u>533,124</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(454,799)</u>	<u>(440,371)</u>	<u>268,907</u>	<u>709,278</u>
Other Financing Sources (Uses)				
Advances In	0	0	14,428	14,428
Advances Out	0	(14,428)	(14,428)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(14,428)</u>	<u>0</u>	<u>14,428</u>
<i>Net Change in Fund Balance</i>	<u>(454,799)</u>	<u>(454,799)</u>	<u>268,907</u>	<u>723,706</u>
<i>Fund Balance Beginning of Year</i>	343,991	343,991	343,991	0
Prior Year Encumbrances Appropriated	149,731	149,731	149,731	0
<i>Fund Balance End of Year</i>	<u><u>\$38,923</u></u>	<u><u>\$38,923</u></u>	<u><u>\$762,629</u></u>	<u><u>\$723,706</u></u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,195,398	\$1,195,398	\$1,177,496	(\$17,902)
Charges for Services	120,000	120,000	180,584	60,584
Intergovernmental	159,690	318,590	346,219	27,629
Interest	16,000	16,000	0	(16,000)
Other	32,000	33,200	55,482	22,282
<i>Total receipts</i>	<u>1,523,088</u>	<u>1,683,188</u>	<u>1,759,781</u>	<u>76,593</u>
Disbursements				
Current:				
General Government	129,830	136,791	0	136,791
Public Safety	1,630,522	1,304,910	929,115	375,795
Capital Outlay	463,032	607,883	552,285	55,598
<i>Total Disbursements</i>	<u>2,223,384</u>	<u>2,049,584</u>	<u>1,481,400</u>	<u>568,184</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(700,296)</u>	<u>(366,396)</u>	<u>278,381</u>	<u>644,777</u>
Other Financing Sources				
Sale of Capital Assets	0	0	6,192	6,192
Transfers Out	0	(175,000)	(175,000)	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>(175,000)</u>	<u>(168,808)</u>	<u>6,192</u>
<i>Net Change in Fund Balance</i>	<u>(700,296)</u>	<u>(541,396)</u>	<u>109,573</u>	<u>650,969</u>
<i>Fund Balance Beginning of Year</i>	509,825	509,825	509,825	0
Prior Year Encumbrances Appropriated	45,264	45,264	45,264	0
<i>Fund Balance End of Year</i>	<u>(\$145,207)</u>	<u>\$13,693</u>	<u>\$664,662</u>	<u>\$650,969</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$643,079	\$643,079	\$656,727	\$13,648
Intergovernmental	99,720	99,720	114,902	15,182
Other	0	0	30,071	30,071
<i>Total receipts</i>	<u>742,799</u>	<u>742,799</u>	<u>801,700</u>	<u>58,901</u>
Disbursements				
Current:				
Public Works	1,011,211	1,011,211	653,543	357,668
Capital Outlay	125,000	125,000	65,739	59,261
<i>Total Disbursements</i>	<u>1,136,211</u>	<u>1,136,211</u>	<u>719,282</u>	<u>416,929</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(393,412)</u>	<u>(393,412)</u>	<u>82,418</u>	<u>475,830</u>
<i>Net Change in Fund Balance</i>	(393,412)	(393,412)	82,418	475,830
<i>Fund Balance Beginning of Year</i>	<u>393,412</u>	<u>393,412</u>	<u>393,412</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$475,830</u></u>	<u><u>\$475,830</u></u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
OPEN SPACE PRESERVATION LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$926,258	\$926,258	\$856,498	(\$69,760)
Intergovernmental	84,397	84,397	145,762	61,365
Interest	50,000	50,000	0	(50,000)
Other	0	0	17,970	17,970
<i>Total receipts</i>	<u>1,060,655</u>	<u>1,060,655</u>	<u>1,020,230</u>	<u>(40,425)</u>
Disbursements				
Current:				
General Government	27,800	52,800	23,887	28,913
Capital Outlay	4,278,819	4,253,819	1,306,973	2,946,846
Debt Service:				
Principal Retirement	57,800	57,800	57,800	0
Interest and Fiscal Charges	12,389	12,389	12,389	0
<i>Total Disbursements</i>	<u>4,376,808</u>	<u>4,376,808</u>	<u>1,401,049</u>	<u>2,975,759</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,316,153)</u>	<u>(3,316,153)</u>	<u>(380,819)</u>	<u>2,935,334</u>
<i>Net Change in Fund Balance</i>	(3,316,153)	(3,316,153)	(380,819)	2,935,334
<i>Fund Balance Beginning of Year</i>	1,963,974	1,963,974	1,963,974	0
Prior Year Encumbrances Appropriated	1,727,429	1,727,429	1,727,429	0
<i>Fund Balance End of Year</i>	<u>\$375,250</u>	<u>\$375,250</u>	<u>\$3,310,584</u>	<u>\$2,935,334</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Note 1 – Reporting Entity

Granville Township, Licking County, Ohio (the Township), 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. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, fire protection, maintenance of Township roads and bridges, and cemetery maintenance. Police protection is provided by the Licking County Sheriff's Department. The Township also contracts with the Granville Community Recreation Commission Inc. to provide recreation services and maintenance.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township does not have any component units.

C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures. The Granville Union Cemetery is considered a joint venture between the Township and the Village of Granville and was created under Ohio Revised Code Section 759.27. This joint venture was created in order to maintain and preserve the Old Colony Burying Ground which is the original cemetery in the Village of Granville. Financial statements can be obtained from Jim Patin, Clerk/Treasurer at 141 Carreg Cain Drive, Granville, Ohio 43023.

The Township participates in Granville Recreation District a jointly governed organization. Note 10 to the financial statements provides additional information for this entity.

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets –presents the cash balance of the governmental activities of the Township at year end. The statement of activities –compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During 2009 and 2008, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The Township only has governmental funds.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds in 2008 and 2009, respectively, are the General, Road and Bridge, Fire, Open Space Preservation Levy, and Fire Equipment Funds. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Road and Bridge Fund receives property tax and intergovernmental receipts for the maintenance and construction of Township roads. The Fire Fund receives revenue from property tax and intergovernmental receipts in order to provide fire and ambulance services to the Granville Community. The Open Space Preservation Levy Fund receives revenue from property tax and intergovernmental receipts for the purchase of land and development rights for open space preservation. The Fire Equipment Fund receives transfers from the Fire Fund for the purpose of accumulating resources for the acquisition, construction, or improvement of capital assets for the Township's fire department.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2009 and 2008, the Township invested in Certificates of Deposit and STAR Ohio. The certificates of deposits are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008 and December 31, 2009.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$20,405 which includes \$2,819 assigned from other Township funds. Interest receipts credited to the General Fund during 2008 was \$196,339 which includes \$9,966 assigned from other Township funds.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township did not have restricted assets at December 31, 2008 and December 31, 2009.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. There are no outstanding advances at year-end.

J. Accumulated Leave

An employee who retires from active service with the Township, meets the age and length of service requirements of their State pension plan, and who was also in the service of the Township for a period of ten (10) continuous years immediately prior to retirement may redeem accumulated sick leave at a rate of one quarter of their earned but unused sick hours (not including any sick time transferred from other public employers), at the current rate of compensation, up to a maximum lump sum payment of \$10,000. Upon retirement and after ten years of service with the Township, employees are entitled to cash payments for unused sick leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received or and principal and interest payments are reported when paid.

The Township' outstanding debt is within statutory limits. In addition, the Township has earmarked within the General, Open Space Preservation Levy, and Opera House Funds 100 percent of the necessary cash fund balance for all outstanding principal and interest obligations, with the exception of the Township garage debt which is being paid from annual cash receipts received in the Road and Bridge Fund.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for cemetery maintenance.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The government-wide statement of net assets reports \$6,591,124 and \$7,667,117 of restricted net assets in 2009 and 2008, respectively. None of restricted net assets reported by the Township were by enabling legislation.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 2 – Summary of Significant Accounting Policies (continued)

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Township has established earmarked monies for future fire equipment expenditures and debt payments in the Fire Equipment, Open Space Preservation, General, and Non-Major Opera House Funds. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and Fire Fund prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to \$13,399 for the General Fund, \$7,522 for the Road and Bridge Fund, \$ 25,612 for the Fire Fund, and \$173,002 for the Open Space Preservation Levy Fund in 2009, and the encumbrances outstanding at year end (budgetary basis) amounted to \$13,205 for the General Fund, \$751 for the Road and Bridge Fund, \$67,103 for the Fire Fund, \$1,243,189 for the Open Space Preservation Levy Fund.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 - Deposits and Investments (continued)

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation,
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the Township's bank balance was not exposed to custodial credit risk because those deposits were covered by the Federal Deposit Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 4 - Deposits and Investments (continued)

Investments

As of December 31, 2009 and 2008, the Township had the following investments:

	12/31/2009	12/31/2008	
	Carrying Value	Carrying Value	Maturity
STAR Ohio	\$ 6,757,964.36	\$ 8,288,888.96	Average 35 Days

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 and 2009 for real and public utility property taxes represents collections of the 2007 and 2008 taxes. Property tax payments received during 2009 and 2008 for tangible personal property (other than public utility property) is for 2009 and 2008 taxes.

2009 and 2008 real property taxes are levied after October 1, 2008 and October 1, 2007 on the assessed values as of January 1, 2009 and January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Tax Year 2009 and 2008 real property taxes are collected in and intended to finance 2010 and 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 and 2008 public utility property taxes which became a lien on December 31, 2008 and December 31, 2007, are levied after October 1, 2009 and

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 5 – Property Taxes (continued)

October 2008 and are collected in 2010 and 2009 with real property taxes.

2009 and 2008 tangible property taxes are levied after October 1, 2008 and October 1, 2007, on the value as of December 31, 2008 and December 31, 2007. Collections are made in 2009 and 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the years ended December 31, 2009 and December 31, 2008, was \$13.95 and \$14.95 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2009 and 2008 property tax receipts were based are as follows:

	2009	2008
Real Property	\$304,434,750	\$300,316,590
Public Utility Property	5,653,430	5,541,880
Tangible Personal Property	0	506,710
Total Assessed Values	\$310,088,180	\$306,365,180

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

All outside millage property taxes levied by Granville Township are voted upon and collected on property valuation of both the unincorporated and incorporated areas of the township; except Road and Bridge Fund property taxes, the majority of which are collected only on valuation of the unincorporated area of the Township. Inside millage property taxes are levied on the same valuations except they are not voted upon.

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has obtained commercial insurance through Erie and Selective Insurance Companies during 2008 and 2009 for the following risks:

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

There were no significant reductions in coverage from the prior years and claims have not exceeded insurance coverage in any of the past five years. The Township pays the State Workers' Compensation System a premium based rate per \$100 of salaries. This rate is based upon participation in the Bureau of Workers Compensation Group Rating Plan claims history and administrative costs.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit.

Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14 percent of covered payroll (17.63 percent and 17.4 percent respectively for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1, 2008 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$38,850, \$27,700, and \$54,405 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 7 – Defined Benefit Pension Plan (continued)

B. Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 19.5 percent for firefighters. Contributions are established by State statute. For 2009 and 2008, a portion of the Township's contribution equal to 6.75 and 7 percent respectively of covered payroll was allocated to fund the postemployment healthcare plan. The Township's contributions to OP&F for firefighters were \$121,125 for the year ended December 31, 2009, \$100,179 for the year ended December 31, 2008, and \$74,140 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008 and 2007.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14 and 14 percent of covered payroll each year. The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through June 30, 2009 and January 1 through June 30, 2008, and 7 percent from July 1 through December 31, 2009 and 7 percent from July 1 through December 31, 2008.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 - Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$17,740, \$19,050 and \$15,102 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24 percent of covered payroll for fire employers for 2009 and 2008.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the years ended December 31, 2009 and 2008, the employer contribution allocated to the healthcare plan was 6.75 percent and 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Continued)**

Note 8 - Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F which were allocated to fund postemployment healthcare benefits for firefighters were \$34,036 for the year ended December 31, 2009, \$28,151 for the year ended December 31, 2008, and \$20,122 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007.

Note 9 – Debt

The Township's combined, long-term debt activity for the years ended December 31, 2009 and 2008 were as follows:

	Interest Rate	Balance December 2007	Additions	Reductions	Balance December 2009	Due Within One Year
Governmental Activities						
Township Building Bonds	4.80%	\$0	\$550,000	\$170,000	\$380,000	\$58,549
Kennedy / Rader Notes	6.00%	980,000	0	980,000	0	0
Joseph White Bonds	4.50%	94,000	0	0	94,000	\$17,200
Homestead Farm Inc. Bonds	4.50%	181,300	0	118,200	63,100	\$63,100
Conservation Club Bonds	3.00%	120,000	0	30,000	90,000	\$15,000
Steven Note	3.25%	100,000	0	100,000	0	0
Total		\$1,475,300	\$550,000	\$1,398,200	\$627,100	\$153,849

Four promissory notes were issued during 2001 to finance the purchase of land from James M. Kennedy and Benjamin W. Rader for Open Space Preservation. The Township will make monthly payments of interest to each lender for a term of five year, whereupon, the entire principal amount together with any accrued interest shall immediately be due and payable. However, the lenders may, at their option, extend the term of the note for an additional five years and the Township will continue the interest payments during the extended term. The notes are paid from property tax monies within the Open Space Preservation levy Fund. The James M. Kennedy and Benjamin W. Rader note holders elected to extend the option for repayment of outstanding debt at June 15, 2006 until June 15, 2011. However, the Township paid off the debt in fiscal year 2009.

A promissory note was issued during 2003 to finance the purchase of land from Richard Stevens. The Township will make annual payments of interest to the lender for a term of five years. Whereupon, the entire principal amount together with any accrued interest shall be due and payable. The Stevens note which was paid from and backed by property tax receipts in the General Fund matured on December 1, 2008.

Granville Township
Licking County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 9 – Debt (continued)

Two conservation easement acquisition bonds were issued during 2003 to finance the purchase of conservation easements from Joseph White and Homestead Farm Inc. for the purpose of acquiring interest in real property to protect and preserve the natural, scenic, open, or wooded condition of land, water or wet lands against modification and encroachment resulting from occupation, development, or other use. The bonds are paid from property tax monies within the Open Space Preservation Levy Funds. The Joseph White bonds provided for a non-uniform principal amortization schedule with interest only in certain years. Principal payments were not made during the years 2005 through 2009 and will resume again in 2010.

During 2005 the Township issued \$150,000 Park Land Acquisition bonds at interest rates of three percent maturing March 15, 2015 for the purpose of purchasing land and buildings from the Raccoon Valley Conservation Club Inc. The bonds are paid from property tax monies within the Township Other Governmental Funds.

During 2009 the Township issued \$550,000 in Township Building Bonds, for a 15 year term, through Park National Bank at a simple interest rate fixed for five year periods. The initial rate is 4.8 percent, which could change between years six and ten and from year eleven to maturity. The Township Officials have followed a practice of making additional principal payments as funds are available. These supplemental payments have reduced the projected maturity of the bond issue to 2010. The rate of interest used in the following table is 4.8% as the future rate adjustments cannot be known as this time.

The following is a summary of the Township's future annual debt service requirements:

Year	Joseph White Bonds		Homestead Farm Inc. Bonds	
	Principal	Interest	Principal	Interest
2010	\$17,200	\$4,230	\$63,100	\$2,840
2011	17,900	3,456		
2012	18,800	2,650		
2013	19,600	1,804		
2014	20,500	922		
Totals	94,000	13,062		

Year	Township Building Bonds		Conservation Club Bonds	
	Principal	Interest	Principal	Interest
2010	\$58,549	\$11,451	\$15,000	\$2,700
2011	41,653	15,644	15,000	2,250
2012	43,643	13,654	15,000	1,800
2013	45,805	11,493	15,000	1,350
2014	48,034	9,264	15,000	900
2015-2019	142,315	13,317	15,000	450
Totals	379,999	74,823	\$90,000	\$9,450

Granville Township
Licking County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

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 Exempt School District. It was established in early 2009.

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Mary Taylor, CPA

Auditor of State

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

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

To the Board of Trustees

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Granville Township, Licking County, Ohio (the Township) as of and for the year ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 13, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 13, 2010.

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 13, 2010

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Interest Allocation – Material Non Compliance/Material Weakness

Ohio Rev. Code Section 135.21 generally requires investment earnings, except as provided in section 135.351 of the Revised Code and by resolution adopted pursuant to section 3315.01 or 3375.391 of the Revised Code, shall be credited to the general fund of the Township to which the principal sum thereof belongs. Ohio Const. Article XII, Section and 1982 Op. Atty Gen. No. 82-031 provide an exception that interest earned on money derived from a motor vehicle license or fuel tax must follow the principal.

Interest earnings were improperly allocated among the following Township funds in 2009 and 2008; these amounts should have been posted to the General Fund:

Fund	FY2009	FY2008
Fire Fund (Major)	(\$2,578)	(\$19,640)
Open Space Preservation Levy (Major)	(\$10,174)	(\$105,386)
Misc. Capital Projects (Major)	(\$2,865)	(\$27,316)
Opera House	(\$655)	(\$6,219)
General Fund	\$16,272	\$158,561

We recommend the Township ensure procedures are instituted to allocate the proportionate share of interest earned to the funds for which interest should be allocated in accordance with the Ohio Revised Code statutes on a monthly basis.

The Township's financial statements and accounting records have been adjusted to properly post the interest receipts to the funds as indicated above.

Official's Response:

While the elected officials agree the method being used to allocate interest earnings to various Township Funds, in addition to the General and Motor Vehicle or Fuel Tax Funds, does not comply with the Ohio Revised Code they believe the interest income should be reflected in those various other Funds. In the future, the ORC requirements for crediting of interest earnings will be followed and then the amounts transferred from the General Fund one or two times per year.

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Mary Taylor, CPA
Auditor of State

GRANVILLE TOWNSHIP

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 12, 2010**