

GRANVILLE TOWNSHIP
LICKING COUNTY
REGULAR AUDIT
JANUARY 1, 2012 – DECEMBER 31, 2013





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Granville Township, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 2, 2014

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**GRANVILLE TOWNSHIP
LICKING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Granville Township, Licking County, (the Township) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

Granville Township
Licking County
Independent Auditor's Report

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Granville Township, Licking County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Emphasis of Matter

As discussed in Note 9 to the financial statements, for the year ended December 31, 2012, the Township changed its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" to the accounting practices the Auditor of State prescribes or permits. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2014 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

May 15, 2014

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$28,441	\$3,259,305	\$0	\$3,287,746
Charges for Services	0	216,503	0	216,503
Licenses, Permits and Fees	11,516	288,717	0	300,233
Intergovernmental	496,175	656,282	0	1,152,457
Earnings on Investments	17,894	2,477	0	20,371
Other	61,821	207,652	0	269,473
<i>Total Cash Receipts</i>	<u>615,847</u>	<u>4,630,936</u>	<u>0</u>	<u>5,246,783</u>
Cash Disbursements				
Current:				
General Government	131,390	179,398	0	310,788
Public Safety	0	1,437,832	0	1,437,832
Public Works	0	648,617	0	648,617
Health	25,303	124,577	0	149,880
Conservation-Recreation	980	0	0	980
Capital Outlay	23,902	478,511	0	502,413
Debt Service:				
Principal Retirement	0	15,000	0	15,000
Interest and Fiscal Charges	0	1,350	0	1,350
<i>Total Cash Disbursements</i>	<u>181,575</u>	<u>2,885,285</u>	<u>0</u>	<u>3,066,860</u>
<i>Excess of Receipts Over Disbursements</i>	<u>434,272</u>	<u>1,745,651</u>	<u>0</u>	<u>2,179,923</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	0	7,317	0	7,317
Transfers In	0	0	592,981	592,981
Transfers Out	(417,981)	(175,000)	0	(592,981)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(417,981)</u>	<u>(167,683)</u>	<u>592,981</u>	<u>7,317</u>
<i>Net Change in Fund Cash Balances</i>	16,291	1,577,968	592,981	2,187,240
<i>Fund Cash Balances, January 1</i>	<u>1,237,880</u>	<u>7,610,546</u>	<u>1,315,167</u>	<u>10,163,593</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,254,171</u>	<u>\$9,188,514</u>	<u>\$1,908,148</u>	<u>\$12,350,833</u>
Fund Cash Balances, December 31				
Nonspendable	\$0	\$176,758	\$0	\$176,758
Restricted	0	9,011,756	1,908,148	10,919,904
Assigned	41,710	0	0	41,710
Unassigned	1,212,461	0	0	1,212,461
<i>Fund Cash Balances, December 31</i>	<u>\$1,254,171</u>	<u>\$9,188,514</u>	<u>\$1,908,148</u>	<u>\$12,350,833</u>

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$27,081	\$3,109,422	\$0	\$3,136,503
Charges for Services	0	213,520	0	213,520
Licenses, Permits and Fees	7,773	158,233	0	166,006
Intergovernmental	462,344	559,322	0	1,021,666
Earnings on Investments	11,697	2,148	0	13,845
Other	71,373	182,459	0	253,832
<i>Total Cash Receipts</i>	<u>580,268</u>	<u>4,225,104</u>	<u>0</u>	<u>4,805,372</u>
Cash Disbursements				
Current:				
General Government	118,480	191,853	0	310,333
Public Safety	0	1,280,756	0	1,280,756
Public Works	535	549,184	0	549,719
Health	25,297	115,584	0	140,881
Conservation-Recreation	15,255	345	0	15,600
Capital Outlay	69,030	402,560	3,937	475,527
Debt Service:				
Principal Retirement	0	346,045	0	346,045
Interest and Fiscal Charges	0	16,559	0	16,559
<i>Total Cash Disbursements</i>	<u>228,597</u>	<u>2,902,886</u>	<u>3,937</u>	<u>3,135,420</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>351,671</u>	<u>1,322,218</u>	<u>(3,937)</u>	<u>1,669,952</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	0	72,919	0	72,919
Transfers In	0	0	175,000	175,000
Transfers Out	0	(175,000)	0	(175,000)
Other Financing Sources	261	5,443	0	5,704
<i>Total Other Financing Receipts (Disbursements)</i>	<u>261</u>	<u>(96,638)</u>	<u>175,000</u>	<u>78,623</u>
<i>Net Change in Fund Cash Balances</i>	351,932	1,225,580	171,063	1,748,575
<i>Fund Cash Balances, January 1</i>	885,948	6,384,966	1,144,104	8,415,018
<i>Fund Cash Balances, December 31</i>	<u>\$1,237,880</u>	<u>\$7,610,546</u>	<u>\$1,315,167</u>	<u>\$10,163,593</u>
Fund Cash Balances, December 31				
Nonspendable	\$0	\$176,758	\$0	\$176,758
Restricted	0	7,433,788	1,315,167	8,748,955
Assigned	22,516	0	0	22,516
Unassigned	1,215,364	0	0	1,215,364
<i>Fund Cash Balances, December 31</i>	<u>\$1,237,880</u>	<u>\$7,610,546</u>	<u>\$1,315,167</u>	<u>\$10,163,593</u>

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Accounting Basis

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

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

STAR Ohio is recorded at share values the mutual funds report.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

3. Capital Project Funds

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

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

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

H. Fund Balance

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

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

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

3. Committed

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

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

2. EQUITY IN POOLED DEPOSITS

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

	<u>2013</u>	<u>2012</u>
Demand deposits	\$2,612,122	\$441,879
STAR Ohio	<u>9,738,711</u>	<u>9,721,714</u>
Total deposits and investments	<u><u>\$12,350,833</u></u>	<u><u>\$10,163,593</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$531,013	\$615,847	\$84,834
Special Revenue	4,305,781	4,638,253	332,472
Capital Projects	175,000	592,981	417,981
Total	\$5,011,794	\$5,847,081	\$835,287

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,292,755	\$641,266	\$651,489
Special Revenue	11,721,187	3,642,187	8,079,000
Capital Projects	1,490,167	0	1,490,167
Total	\$14,504,109	\$4,283,453	\$10,220,656

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$354,675	\$580,529	\$225,854
Special Revenue	4,030,131	4,303,466	273,335
Capital Projects	175,000	175,000	0
Total	\$4,559,806	\$5,058,995	\$499,189

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,188,382	\$251,113	\$937,269
Special Revenue	10,142,314	3,141,476	7,000,838
Capital Projects	1,319,103	3,937	1,315,166
Total	\$12,649,799	\$3,396,526	\$9,253,273

The Township had appropriations which exceeded estimated resources contrary to Ohio Revised Code Section 5705.39 for certain funds at December 31, 2013 and 2012.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

4. PROPERTY TAX (Continued)

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

5. Debt

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Conservation Club Bonds	\$30,000	3.00%
Total	\$30,000	

During 2005, the Township issued \$150,000 Park Land Acquisition bonds at interest rates of 3% maturing March 15, 2015 for the purpose of purchasing land via the Raccoon Valley Conservation Club Inc. The bonds are paid from property tax monies within the Township Special Revenue Fund. Amortization of the above debt, including interest, is scheduled as follows:

	Conservation Club Bonds
Year ending December 31:	
2014	\$15,900
2015	15,450
Total	\$31,350

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For the period through June 30, 2013 OP&F participants contributed 10% of their wages and the Township contributed an equal amount of 24%. Beginning July 1, 2013, OP&F members contributed 10.75% while the Township contributed an equal amount of 24%. For years ended December 31, 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(CONTINUED)**

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

8. INTERFUND TRANSFERS

The Township reported the following transfers at December 31, 2013:

Transfer from the General Fund to the Capital Projects Fund	\$417,981
Transfer from the Special Revenue Fund to the Capital Projects Fund	\$175,000

The Township reported the following transfers at December 31, 2012:

Transfer from the Special Revenue Fund to the Capital Projects Fund	\$175,000
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The purpose of the transfer from the General Fund was to provide resources for future Township Hall building improvements. The transfer from the Special Revenue Fund to the Capital Projects Fund is to fund the Fire Capital Projects Reserve Fund established pursuant to Ohio Revised Code Section 5705.13(C).

9. CHANGE IN BASIS OF ACCOUNTING

The Township changed its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" to the accounting practices the Auditor of State prescribes or permits.



**INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Granville Township, Licking County, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated May 15, 2014 wherein we noted the Township changed its financial statement presentation and followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

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, opining 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 2013-01.

Township's Response to Findings

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.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

May 15, 2014

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	2013-01
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Noncompliance Citation

Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed the total estimated resources. The following fund had appropriations exceeding estimated resources at December 31, 2013:

Fund	Appropriations	Estimated Resources	Noncompliance
Fire Operation-Special Revenue Fund Type	\$3,837,152	\$3,782,089	(\$55,063)

The following fund had appropriations exceeding estimated resources at December 31, 2012:

Fund	Appropriations	Estimated Resources	Noncompliance
General Fund	\$1,188,382	\$1,151,702	(\$36,680)
Motor Vehicle License Tax – Special Revenue Fund Type	26,592	26,242	(350)
Opera House – Special Revenue Fund Type	161,538	97,038	(64,500)
Open Space Levy – Special Revenue Fund Type	4,251,760	4,212,155	(39,605)

With appropriations exceeding estimated resources the Township may spend more funds than in the Treasury or process of collection and cause fund deficits. We recommend that the Township monitor the original budget to determine compliance with the Ohio Revised Code when the original budget is adopted.

Official's Response: The Township will adopt procedures to verify appropriations do not exceed estimated resources on an annual basis.



Dave Yost • 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
JUNE 12, 2014**