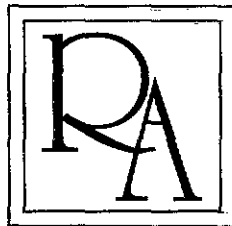


**GRANVILLE TOWNSHIP**

**REGULAR AUDIT**

January 1, 1998 - December 31, 1999



Reichert & Associates, CPA's

206 West Hardin Street  
Findlay, Ohio 45840  
419-422-6131

**GRANVILLE TOWNSHIP**

**REGULAR AUDIT**

January 1, 1998 - December 31, 1999

**GRANVILLE TOWNSHIP  
MERCER COUNTY**

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GRANVILLE TOWNSHIP  
Mercer County  
St. Henry, Ohio 45883

ELECTED OFFICIALS  
AS OF DECEMBER 31, 1999

<u>TITLE/NAME</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
PRESIDENT Sylvan Jutte	1/1/98-12/31/01	(A)	\$1,000	(B)
VICE - PRESIDENT Dennis Schwieterman	1/1/96-12/31/99	(A)	\$1,000	(B)
TRUSTEE MEMBER Donald Hummel	1/1/98-12/31/01	(A)	\$1,000	(B)
Clerk John Dippold	4/1/96-3/31/00	(A)	\$5,000	(B)

STATUTORY LEGAL COUNSEL  
Andrew J. Hinders  
Mercer County Prosecuting Attorney

(A) OTARMA

(B) Contracted Every Four Years



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

Telephone 614-466-4514  
800-282-0370

Facsimile 614-728-7398

Board of Trustees  
Granville Township  
Mercer County

We have reviewed the Independent Auditor's Report of the Granville Township, Mercer County, prepared by Reichert & Associates, CPAs, for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish.

JIM PETRO  
Auditor of State

April 7, 2000

# REICHERT & ASSOCIATES, CPA'S

206 West Hardin Street

Findlay, Ohio 45840

phone: (419)422-6131

fax: (419)422-1372

## Independent Auditor's Report

Granville Township  
Mercer County  
St. Henry, Ohio 45883

We have audited the accompanying financial statements of the Granville Township as of and for the years ended December 31, 1999, and 1998. These financial statements are the responsibility of the township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1-B, the Granville Township, prepares its financial statements on the basis of accounting prescribed by or permitted by the Auditor of State, which is similar to the cash receipts and cash disbursement basis which is a basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements present fairly, in all material respects, the combined fund cash balances of the Granville Township as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1-B.

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2000 on our consideration of Granville Township internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

This report is intended for the information of management and the Township Trustees and is not intended to be and should not be used by anyone other than these specified parties.

March 29, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

**GRANVILLE TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES**  
**IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**For The Year Ended December 31, 1999**

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
<b>Cash Receipts:</b>				
Local Taxes	\$25,846	\$168,275	\$0	\$194,121
Licenses, Permits and Fees	795	0	0	795
Intergovernmental Receipts	27,690	87,885	0	115,575
Earnings on Investment	1,102	417	870	2,389
Other Revenue	106	1,325	0	1,431
<b>Total Cash Receipts</b>	<b>55,539</b>	<b>257,902</b>	<b>870</b>	<b>314,311</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	53,626	0	0	53,626
Public Safety	0	140,343	0	140,343
Public Works	0	128,748	0	128,748
Public Health	4,750	0	0	4,750
Capital Outlay	0	3,936	0	3,936
<b>Debt Service:</b>				
Principal Retirement	0	7,223	0	7,223
Interest	0	887	0	887
<b>Total Cash Disbursements</b>	<b>58,376</b>	<b>281,137</b>	<b>0</b>	<b>339,513</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>(2,837)</b>	<b>(23,235)</b>	<b>870</b>	<b>(25,202)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-in	0	0	10,000	10,000
Transfers-out	(10,000)	0	0	(10,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(10,000)</b>	<b>0</b>	<b>10,000</b>	<b>0</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>(12,837)</b>	<b>(23,235)</b>	<b>10,870</b>	<b>(25,202)</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>23,558</b>	<b>46,564</b>	<b>10,118</b>	<b>80,240</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>10,721</b>	<b>23,329</b>	<b>20,988</b>	<b>55,038</b>

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

**GRANVILLE TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND**  
**CASH BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**For The Year Ended December 31, 1998**

	General	Special Revenue	Capital Projects	(Memorandum Only) Total
<b>Cash Receipts:</b>				
Local Taxes	\$27,545	\$157,389	\$0	\$184,934
Licenses, Permits and Fees	840	0	0	840
Intergovernmental Receipts	29,602	85,718	0	115,320
Earnings on Investment	1,213	608	118	1,939
Other Revenue	1,229	604	0	1,833
<b>Total Cash Receipts</b>	<b>60,429</b>	<b>244,319</b>	<b>118</b>	<b>304,866</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
General Government	53,667	0	0	53,667
Public Safety	0	123,706	0	123,706
Public Works	0	83,238	0	83,238
Public Health	4,735	0	0	4,735
Capital Outlay	0	13,410	0	13,410
<b>Debt Service:</b>				
Principal Retirement	0	8,110	0	8,110
<b>Total Cash Disbursements</b>	<b>58,402</b>	<b>228,464</b>	<b>0</b>	<b>286,866</b>
<b>Total Cash Receipts Over (Under) Cash Disbursements</b>	<b>2,027</b>	<b>15,855</b>	<b>118</b>	<b>18,000</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-in	0	0	10,000	10,000
Transfers-out	(10,000)	0	0	(10,000)
<b>Total Other Financing Receipts/(Disburseme</b>	<b>(10,000)</b>	<b>0</b>	<b>10,000</b>	<b>0</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>(7,973)</b>	<b>15,855</b>	<b>10,118</b>	<b>18,000</b>
<b>Fund Cash Balances, January 1, 1998</b>	<b>31,531</b>	<b>30,709</b>	<b>0</b>	<b>62,240</b>
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$23,558</b>	<b>\$46,564</b>	<b>\$10,118</b>	<b>\$80,240</b>

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



**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Years Ended December 31, 1999 and 1998

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Granville Township, Mercer County, Ohio, (the Township) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by three publicly-elected trustees. The Township provides general governmental services.

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

**B. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. CASH AND INVESTMENTS**

The Super Now Account and the Certificate of Deposit are valued at cost.

**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:

Governmental Funds

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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

**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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Gasoline Tax Fund - This fund receives gasoline tax for constructing, maintaining and repairing Township roads.

Road and Bridge Fund - This fund receives tax levy monies to be used for construction, maintenance and repair of Township roads and bridges.

Fire Levy Fund - This fund receives tax levy monies to be used for Fire protection.

**E. BUDGETARY PROCESS**

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

Appropriations:

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

Estimated Resources:

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

Encumbrances:

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. PROPERTY, PLANT, AND EQUIPMENT**

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

**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 2 -- EQUITY IN POOLED CASH AND INVESTMENTS**

The Township maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$44,389	\$70,240
Certificate of deposit	<u>10,649</u>	<u>10,000</u>
 Total Deposits	 <u>\$55,038</u>	 <u>\$80,240</u>

The Township's deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public deposit pool.

**NOTE 3 -- BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 1998 and 1999 follows:

**1998 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 47,567	\$ 60,429	\$ 12,862
Special Revenue	234,939	244,319	9,380
Capital Projects	<u>10,000</u>	<u>10,118</u>	<u>118</u>
Total	<u>\$ 292,506</u>	<u>\$ 314,866</u>	<u>\$ 22,360</u>

**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Years Ended December 31, 1999 and 1998

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**NOTE 3 -- BUDGETARY ACTIVITY (Continued)**

**1998 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 79,098	\$ 68,432	\$10,666
Special Revenue	<u>265,648</u>	<u>241,286</u>	<u>24,362</u>
Total	<u>\$ 344,746</u>	<u>\$ 309,718</u>	<u>\$ 35,028</u>

**1999 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 52,364	\$ 55,539	\$ 3,175
Special Revenue	250,950	257,902	6,952
Capital Projects	<u>10,000</u>	<u>10,870</u>	<u>870</u>
Total	<u>\$ 313,314</u>	<u>\$ 324,311</u>	<u>\$ 10,997</u>

**1999 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 75,952	\$ 68,376	\$ 7,576
Special Revenue	297,514	281,137	16,377
Capital Projects	<u>20,118</u>	<u>0</u>	<u>20,118</u>
Total	<u>\$ 393,584</u>	<u>\$ 349,513</u>	<u>\$ 44,071</u>

**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 4 -- PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the City Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the state, and are reflected in the financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**NOTE 5 -- CAPITAL LEASES**

The Township has entered into a lease agreement as lessee for financing the acquisition of a Case loader in 1998. The lease agreement qualifies as a capital lease for accounting purposes because the Township obtains ownership of the equipment after the last lease payment. The lease has three annual payments of \$8,110 beginning in acquisition year.

The following is a schedule of the remaining lease payment under this capital lease as of December 31, 1999:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	<u>\$ 7,667</u>	<u>\$ 443</u>	<u>\$ 8,110</u>

**NOTE 6 -- OPERATING LEASE**

Beginning in 1997, the Township entered into a three year lease agreement for the use of 119 acres of land as a top soil storage site. The annual lease payment is \$200 per acre. In addition, the lessor is entitled to one-half of proceeds from a sale to the general public of any of the soil.

**NOTE 7 -- RETIREMENT SYSTEMS**

The Township's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. This plan provides retirement benefits, including post retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**GRANVILLE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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**NOTE 7 -- RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**NOTE 8 -- RISK MANAGEMENT**

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The pool may assess supplemental premiums. The following risks are covered by the Pool:

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

**NOTE 9 -- CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by grantor, principally the federal government. Any disallowed costs, may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

The Township's attorney and management are aware of no litigation.

# REICHERT & ASSOCIATES, CPA'S

206 West Hardin Street

Findlay, Ohio 45840

phone: (419)422-6131

fax: (419)422-1372

## **Report of Independent Accountants on Compliance and on Internal Control Required by Government Auditing Standards**

Board of Trustees  
Granville Township  
Mercer County  
St. Henry, Ohio 45883

We have audited the financial statements of the Granville Township as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 15, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 29, 2000.

### **Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

Board of Trustees  
Granville Township  
Report of Independent Accountants on Compliance and on  
Internal Control Required by Government Auditing Standards  
Page-2-

misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 29, 2000.

This report is intended for the information of management and the Township Trustees and is not intended to be and should not be used by anyone other than these specified parties.

March 29, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA's**  
Certified Public Accountants





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
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800-282-0370  
Facsimile 614-466-4490

GRANVILLE TOWNSHIP

MERCER 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.**

By: *Susan Babbitt*

Date: APRIL 27, 2000