



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**VILLAGE OF GRANVILLE  
LICKING COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village Council  
Village of Granville  
Licking County  
141 East Broadway Street  
Granville, Ohio 43023-0514

To the Village Council:

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

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 8, the Village reclassified several funds previously reported in the Internal Service Fund Type to the Capital Projects Fund Type.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management and the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

August 1, 2000

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$1,940,464	\$0	\$0	\$0	\$0	\$1,940,464
Special Assessments	0	0	34,134	0	0	34,134
Intergovernmental Receipts	716,758	109,554	0	0	0	826,312
Charges for Services	0	16,766	0	0	0	16,766
Fines, Licenses, and Permits	110,261	1,593	0	0	0	111,854
Earnings on Investments	99,064	0	0	0	0	99,064
Miscellaneous	35,380	2,379	0	0	0	37,759
<b>Total Cash Receipts</b>	<u>2,901,927</u>	<u>130,292</u>	<u>34,134</u>	<u>0</u>	<u>0</u>	<u>3,066,353</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	602,046	0	0	0	0	602,046
Public Health Services	14,596	0	0	0	0	14,596
Leisure Time Activities	0	8,941	0	0	0	8,941
Community Environment	34,787	0	0	0	0	34,787
Transportation	446,708	114,099	0	0	0	560,807
General Government	565,241	0	0	0	0	565,241
Debt Service	37,101	0	764,968	0	0	802,069
Capital Outlay	742,084	1,364	0	84,156	0	827,604
<b>Total Cash Disbursements</b>	<u>2,442,563</u>	<u>124,404</u>	<u>764,968</u>	<u>84,156</u>	<u>0</u>	<u>3,416,091</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>459,364</u>	<u>5,888</u>	<u>(730,834)</u>	<u>(84,156)</u>	<u>0</u>	<u>(349,738)</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds of Notes	0	0	730,000	0	0	730,000
Transfers-In	25,000	16,766	0	125,450	0	167,216
Other Sources	7,600	0	6,429	0	0	14,029
Transfers-Out	(115,467)	0	0	0	0	(115,467)
Other Uses	0	0	0	0	0	0
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(82,867)</u>	<u>16,766</u>	<u>736,429</u>	<u>125,450</u>	<u>0</u>	<u>795,778</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>376,497</u>	<u>22,654</u>	<u>5,595</u>	<u>41,294</u>	<u>0</u>	<u>446,040</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>954,528</u>	<u>190,026</u>	<u>207,828</u>	<u>678,709</u>	<u>110</u>	<u>2,031,201</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><u>\$1,331,025</u></u>	<u><u>\$212,680</u></u>	<u><u>\$213,423</u></u>	<u><u>\$720,003</u></u>	<u><u>\$110</u></u>	<u><u>\$2,477,241</u></u>
<b>Reserves for Encumbrances, December 31, 1999</b>	<u><u>\$112,211</u></u>	<u><u>\$11,435</u></u>	<u><u>\$0</u></u>	<u><u>\$92,615</u></u>	<u><u>\$0</u></u>	<u><u>\$216,261</u></u>

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUNDS AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary</u>	<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$1,201,420	\$0	\$1,201,420
Total Operating Cash Receipts	<u>1,201,420</u>	<u>0</u>	<u>1,201,420</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	319,647	0	319,647
Contractual Services	248,565	0	248,565
Supplies and Materials	125,709	0	125,709
Capital Outlay	37,800	0	37,800
Total Operating Cash Disbursements	<u>731,721</u>	<u>0</u>	<u>731,721</u>
Operating Income/(Loss)	<u>469,699</u>	<u>0</u>	<u>469,699</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	<u>0</u>	<u>92,236</u>	<u>92,236</u>
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Cash Disbursements	0	91,968	91,968
Debt Service	246,676	0	246,676
Total Non-Operating Cash Disbursements	<u>246,676</u>	<u>91,968</u>	<u>338,644</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	223,023	268	223,291
Transfers-In	28,000	0	28,000
Transfers-Out	<u>(79,749)</u>	<u>0</u>	<u>(79,749)</u>
Net Receipts Over/(Under) Disbursements	171,274	268	171,542
Fund Cash Balances, January 1, 1999	<u>392,584</u>	<u>9,042</u>	<u>401,626</u>
<b>Fund Cash Balances, December 31, 1999</b>	<b><u>\$563,858</u></b>	<b><u>\$9,310</u></b>	<b><u>\$573,168</u></b>
Reserve for Encumbrances, December 31, 1999	<u>\$46,892</u>	<u>\$0</u>	<u>\$46,892</u>

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$1,792,306	\$0	\$0	\$0	\$0	\$1,792,306
Special Assessments	0	0	37,304	0	0	37,304
Intergovernmental Receipts	356,922	115,909	0	0	0	472,831
Charges for Services	0	10,293	0	0	0	10,293
Fines, Licenses, and Permits	90,698	2,442	0	0	0	93,140
Earnings on Investments	92,834	0	0	0	0	92,834
Miscellaneous	89,746	1,584	0	0	0	91,330
<b>Total Cash Receipts</b>	<u>2,422,506</u>	<u>130,228</u>	<u>37,304</u>	<u>0</u>	<u>0</u>	<u>2,590,038</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	589,693	3,795	0	0	0	593,488
Public Health Services	14,117	0	0	0	0	14,117
Leisure Time Activities	0	512	0	0	0	512
Community Environment	30,056	0	0	0	0	30,056
Transportation	425,306	85,554	0	0	0	510,860
General Government	538,071	0	0	0	0	538,071
Debt Service	37,953	0	801,010	0	0	838,963
Capital Outlay	372,798	923	0	74,747	0	448,468
<b>Total Cash Disbursements</b>	<u>2,007,994</u>	<u>90,784</u>	<u>801,010</u>	<u>74,747</u>	<u>0</u>	<u>2,974,535</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>414,512</u>	<u>39,444</u>	<u>(763,706)</u>	<u>(74,747)</u>	<u>0</u>	<u>(384,497)</u>
<b>Other Financing Receipts/(Disbursements):</b>						
Proceeds of Notes	0	0	765,000	0	0	765,000
Transfers-In	54,662	9,793	0	292,001	0	356,456
Other Sources	6,780	0	6,567	0	0	13,347
Transfers-Out	(273,494)	(14,662)	0	0	0	(288,156)
Other Uses	0	0	(433)	0	0	(433)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(212,052)</u>	<u>(4,869)</u>	<u>771,134</u>	<u>292,001</u>	<u>0</u>	<u>846,214</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>202,460</u>	<u>34,575</u>	<u>7,428</u>	<u>217,254</u>	<u>0</u>	<u>461,717</u>
<b>Fund Cash Balances, January 1, 1998</b>	<u>752,068</u>	<u>155,451</u>	<u>200,400</u>	<u>461,455</u>	<u>110</u>	<u>1,569,484</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><b>\$954,528</b></u>	<u><b>\$190,026</b></u>	<u><b>\$207,828</b></u>	<u><b>\$678,709</b></u>	<u><b>\$110</b></u>	<u><b>\$2,031,201</b></u>
<b>Reserves for Encumbrances, December 31, 1998</b>	<u><b>\$200,144</b></u>	<u><b>\$24,799</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$224,943</b></u>

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUNDS AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary</u>	<u>Fiduciary</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts:</b>			
Charges for Services	\$1,110,521	\$0	\$1,110,521
Total Operating Cash Receipts	<u>1,110,521</u>	<u>0</u>	<u>1,110,521</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	308,167	0	308,167
Contractual Services	228,000	0	228,000
Supplies and Materials	109,253	0	109,253
Capital Outlay	203,861	0	203,861
Total Operating Cash Disbursements	<u>849,281</u>	<u>0</u>	<u>849,281</u>
Operating Income/(Loss)	<u>261,240</u>	<u>0</u>	<u>261,240</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	0	81,120	81,120
Total Non-Operating Cash Receipts	<u>0</u>	<u>81,120</u>	<u>81,120</u>
<b>Non-Operating Cash Disbursements:</b>			
Other Non-Operating Disbursements	0	80,792	80,792
Debt Service	249,925	0	249,925
Total Non-Operating Cash Disbursements	<u>249,925</u>	<u>80,792</u>	<u>330,717</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	11,315	328	11,643
Transfers-Out	<u>(68,300)</u>	<u>0</u>	<u>(68,300)</u>
Net Receipts Over/(Under) Disbursements	(56,985)	328	(56,657)
Fund Cash Balances, January 1, 1998	<u>449,569</u>	<u>8,714</u>	<u>458,283</u>
<b>Fund Cash Balances, December 31, 1998</b>	<b><u>\$392,584</u></b>	<b><u>\$9,042</u></b>	<b><u>\$401,626</u></b>
Reserve for Encumbrances, December 31, 1998	<u>\$30,987</u>	<u>\$0</u>	<u>\$30,987</u>

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Granville, Licking County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected seven-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

The Village's management believes these financial statements present all activities for which the Village 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**

Repurchase Agreements and U.S. Treasury Notes are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. These funds are also used for payment of special assessments.

**4. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Funds:

Municipal Building Reserve Fund - This fund receives transfers from the General Fund that is used to maintain the municipal building.

Road Improvement Reserve Fund - This fund receives transfers from the General Fund that is used to maintain Village roads.

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

**5. Enterprise Funds**

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

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

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

**6. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Fund:

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

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Fund Accounting** (Continued)

**6. Fiduciary Funds (Trust and Agency Funds)** (Continued)

Previously, the Mayor's Court financial activity was not reported in the entity's financial statements. As a result, the January 1, 1998 fund balance was adjusted to reflect the Balance in the Mayor's Court on that date.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Council 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.

**3. Encumbrances**

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

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 when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 190,427	\$ 135,058
U.S. Treasury Notes	159,083	152,654
Repurchase Agreements	<u>2,700,899</u>	<u>2,145,115</u>
Total investments	<u>2,859,982</u>	<u>2,297,769</u>
Total deposits and investments	<u>\$ 3,050,409</u>	<u>\$ 2,432,827</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village

**Investments:** U.S. Treasury Notes are held in book-entry form at Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Repurchase agreements are held at Park National Bank and are covered by collateral held by third party trustees.

**3. BUDGETARY ACTIVITY**

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

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,328,955	\$ 2,934,527	\$ 605,572
Special Revenue	123,500	147,058	23,558
Debt Service	892,395	770,563	(121,832)
Capital Projects	125,450	125,450	0
Enterprise	<u>1,098,300</u>	<u>1,229,420</u>	<u>131,120</u>
Total	<u>\$ 4,568,600</u>	<u>\$ 5,207,018</u>	<u>\$ 638,418</u>

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,070,665	\$ 2,670,241	\$ 400,424
Special Revenue	155,014	135,839	19,175
Debt Service	908,198	764,968	143,230
Capital Projects	269,250	176,771	92,479
Enterprise	1,196,255	1,105,038	91,217
Total	<u>\$ 5,599,382</u>	<u>\$ 4,852,857</u>	<u>\$ 746,525</u>

**1998 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,276,175	\$ 2,483,948	\$ 207,773
Special Revenue	133,676	140,021	6,345
Debt Service	958,595	808,871	(149,724)
Capital Projects	292,001	292,001	0
Enterprise	1,059,010	1,110,521	51,511
Total	<u>\$ 4,719,457</u>	<u>\$ 4,835,362</u>	<u>\$ 115,905</u>

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,859,279	\$ 2,481,632	\$ 377,647
Special Revenue	149,827	130,245	19,582
Debt Service	949,402	801,443	147,959
Capital Projects	78,340	74,747	3,593
Enterprise	1,289,548	1,198,493	91,055
Total	<u>\$ 5,326,396</u>	<u>\$ 4,686,560</u>	<u>\$ 639,836</u>

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village 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 accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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 Village.

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$ 213,406	8%
General Obligation Bonds	630,490	6%
General Obligation Notes	730,000	5%
Special Assessment Bonds	260,510	5%
Mortgage Revenue Bonds	<u>500,000</u>	6%
Total	<u>\$ 2,334,406</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was necessary for the village. The OWDA has approved \$274,026 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$13,176, including interest, over 25 years. The loan is collateralized by water and sewer receipts.

Mortgage Revenue Bonds are for sewer system projects throughout the village. The bonds were issued on May, 1991 in the amount of \$1,095,000. The loans will be repaid in annual installments of over 14 years.

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT (Continued)**

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

Year ending December 31:	OWDA Loan	General Obligation Bonds	General Obligation Notes	Special Assessme nt Bonds	Mortgage Revenue Bonds
2000	\$ 26,352	\$ 69,163	\$ 73,250	\$ 27,775	\$ 117,500
2001	26,352	72,446	71,500	27,079	122,390
2002	26,352	73,351	74,750	28,417	121,280
2003	26,352	71,112	72,750	27,598	119,740
2004	26,352	68,838	75,750	26,770	122,763
Subsequent	<u>250,344</u>	<u>589,210</u>	<u>737,750</u>	<u>250,397</u>	<u>0</u>
Total	<u>\$ 382,104</u>	<u>\$ 944,120</u>	<u>\$ 1,105,750</u>	<u>\$ 388,036</u>	<u>\$ 603,673</u>

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**VILLAGE OF GRANVILLE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**8. RECLASSIFICATION OF FUNDS**

Several Village Funds previously reported as Internal Service Funds were reclassified to the Capital Projects Fund Type to better reflect the operating nature of these funds. As a result, the following adjustments were made to the December 31, 1997 Fund Balances of the Capital Projects Fund Type and Internal Service Fund Type.

Capital Projects Fund Type Balance, December 31, 1997	\$0
Adjustment	461,455
	<hr/>
Restated Fund Balance December 31, 1997	<u><u>\$461,455</u></u>
Internal Service Fund Type Balance December 31, 1997	\$461,455
Adjustments	(461,455)
	<hr/>
Restated Fund Balance December 31, 1997	<u><u>\$0</u></u>

The Mayors Court activity was also added to the Village's financial statements as an Agency Fund as of January 1, 1998.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village Council  
Village of Granville  
Licking County  
141 East Broadway Street  
Granville, Ohio 43023-0514

To the Village Council:

We have audited the accompanying financial statements of the Village of Granville, Licking County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon date August 1, 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 Village'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 a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated August 1, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Village'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 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 Village in a separate letter dated August 1, 2000.

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**JIM PETRO**  
Auditor of State

August 1, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
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800-282-0370

Facsimile 614-466-4490

**VILLAGE OF GRANVILLE**

**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  
AUGUST 29, 2000**