

**GRANVILLE TOWNSHIP
LICKING COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010**





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Granville Township, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2010 through December 31, 2011. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 14, 2012

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**GRANVILLE TOWNSHIP
LICKING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
INDEPENDENT AUDITORS' REPORT.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS - CASH BASIS – DECEMBER 31, 2011	10
STATEMENT OF ACTIVITIES – CASH BASIS – DECEMBER 31, 2011.....	11
FUND FINANCIAL STATEMENTS:	
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – DECEMBER 31, 2011	12
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS – DECEMBER 31, 2011.....	13
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE– BUDGET AND ACTUAL - (BUDGETARY BASIS) – GENERAL FUND- DECEMBER 31, 2011.....	14
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – (BUDGETARY BASIS) –ROAD & BRIDGE FUND – DECEMBER 31, 2011.....	15
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – (BUDGETARY BASIS) – FIRE FUND-DECEMBER 31, 2011.....	16
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – (BUDGETARY BASIS) – OPEN SPACE PRESERVATION LEVY FUND – DECEMBER 31, 2011.....	17
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS - CASH BASIS – DECEMBER 31, 2010	18
STATEMENT OF ACTIVITIES – CASH BASIS – DECEMBER 31, 2010.....	19
FUND FINANCIAL STATEMENTS:	
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – DECEMBER 31, 2010	20

**GRANVILLE TOWNSHIP
LICKING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS – DECEMBER 31, 2010.....	21
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE– BUDGET AND ACTUAL - (BUDGETARY BASIS) – GENERAL FUND- DECEMBER 31, 2010.....	22
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – (BUDGETARY BASIS) –ROAD & BRIDGE FUND – DECEMBER 31, 2010.....	23
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – (BUDGETARY BASIS) – FIRE FUND -DECEMBER 31, 2010.....	24
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – (BUDGETARY BASIS) – OPEN SPACE PRESERVATION LEVY FUND – DECEMBER 31, 2010.....	25
NOTES TO THE BASIC FINANCIAL STATEMENTS.....	26
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	44
SCHEDULE OF PRIOR AUDIT FINDINGS.....	46



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

INDEPENDENT AUDITORS' REPORT

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, 2011 and 2010, 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. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. 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 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, 2011 and 2010, and the respective changes in 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 accounting basis Note 2 describes.

As disclosed in Note 3, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Government Fund Type Definitions*", and GASB Statement No. 59, "*Financial Instruments Omnibus*".

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

Ten West Locust Street

Newark, Ohio 43055

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2012 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.

We conducted our audit to opine on the Township's financial statements taken as a whole. Management's Discussion and Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. These tables provide additional information, but are not a part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in the Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Wilson, Shanna & Snow, Inc.

February 21, 2012

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

This discussion and analysis of Granville Township, Licking County, Ohio (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2011 and 2010, 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 increased \$1,234,577 from 2010 to 2011 and increased \$162,979 from 2009 to 2010. The increase in cash is primarily attributed lower capital outlay and debt payments when compared to prior years.
- The Township's general receipts are primarily property taxes. These receipts represent 74 and 73 percent of the total general receipts for governmental activities during 2011 and 2010, respectively.

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 cash basis of accounting.

Report Components

The statement of net assets – cash basis and the statement of activities – cash basis 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 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.

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.

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

Reporting the Township as a Whole

The statement of net assets – cash basis and the statement of activities – cash basis reflect how the Township did financially during 2011 and 2010, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental type activities of the Township at year end. The statement of activities – cash basis 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.

The Township follows State mandated use of Fund accounting which means monies received from certain specific sources are entered into a corresponding Fund and may only be spent from that Fund for the purpose designated by the Fund. For example cemetery levy proceeds, as well as fees for cemetery services and lot sales, must be credited to the Township's Cemetery Fund. Expenditures from the Cemetery Fund may be made for only cemetery purposes. Fire levy proceeds as well as fees for emergency services, contracts for emergency services, grant monies for emergency services all must be credited to the Fire Fund. Expenditures from the Fire Fund may be made for only fire and emergency medical services.

These statements report the Township's cash position and the changes in cash position. When evaluating the cash position of the Township it is important to remember townships are a statutory form of government given powers by the State Legislature. Revenue sources are limited by the authority granted by the Legislature. Granville Township received between 70 and 80 percent of its revenue from local property taxes in 2011 and 2010, respectively, the majority of which are approved by the voters of the Township. In 1976 following a period of high inflation, the Legislature passed HB 920 which was designed to limit increases in property tax revenues as a result of inflationary increases. Thus voted property tax millage rates are automatically reduced by the Ohio Department of Taxation when the property value on which those levies were first passed increases due to inflation and therefore, on average, no new money is raised from a levy. As levy proceeds tend not to increase a public entity must ask for sufficient millage at the beginning of a levy than it might need to support the services it is providing. The "extra money" received is saved to be spent toward the end of a levy cycle when the proceeds received are less than the amount being spent. When the total receipts over the levy cycle have been spent either the service can no longer be provided or additional funding must be sought. Therefore while cash balances may be indicative of the health of a public entity the use of cash balance balances may only be as a result of this levy proceeds receipt problem. Granville Township does a five year financial plan each year. This plan enables the Trustees and the Department Heads to determine how money is being received, how the spending plan is supported by this money and when inflationary pressures on planned expenditures may result in a need for additional funding to provide services wanted by the taxpayers and voters.

In the statement of net assets and the statement of activities, we divide the Township into the following type of activity:

- Governmental activities - Most of the Township's basic services are reported here, including fire, cemetery, land preservation, and roads and bridges. Local real estate property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

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. The funds of the Township are split into one category, governmental:

- **Governmental Funds** - Most of 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 non-major 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 & 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.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2011 compared to 2010 and 2009 on a cash basis:

	Governmental Activities		
	2011	2010	2009
Assets			
Cash and Cash Equivalents	\$ 8,415,018	\$ 7,180,441	\$ 7,017,462
Total Assets	<u>\$ 8,415,018</u>	<u>\$ 7,180,441</u>	<u>\$ 7,017,462</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 1,144,104	\$ 1,284,694	\$ 1,109,695
Nonexpendable	176,759	176,759	176,759
Other Purposes	6,208,207	5,067,771	5,304,671
Unrestricted	885,948	651,217	426,337
Total Net Assets	<u>\$ 8,415,018</u>	<u>\$ 7,180,441</u>	<u>\$ 7,017,462</u>

As mentioned previously, net assets of governmental activities increased \$1,234,577 from 2010 to 2011 and increased \$162,979 from 2009 to 2010. The increase in cash is primarily attributed lower capital outlay and debt payments as when compared to prior years

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

Table 2 reflects the changes in net assets in 2011, 2010 and 2009 for governmental activities.

(Table 2)
Changes in Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Governmental Activities 2009
Cash Receipts:			
Program Receipts:			
Charges for Services and Sales	\$327,938	\$314,484	\$307,991
Operating Grants and Contributions	109,804	136,956	101,444
Total Program Receipts	<u>437,742</u>	<u>451,440</u>	<u>409,435</u>
General Receipts:			
Property and Other Local Taxes	3,105,648	3,075,880	3,402,471
Grants and Entitlements Not Restricted to Specific Programs	769,935	973,783	873,674
Bonds Issued	0	0	550,000
Interest	5,688	19,746	23,224
Other Revenue	267,701	138,773	140,669
Sale of Capital Assets	46,861	4,500	3,500
Total General Receipts	<u>4,195,833</u>	<u>4,212,682</u>	<u>4,993,538</u>
Total Cash Receipts	<u>4,633,575</u>	<u>4,664,122</u>	<u>5,402,973</u>
Cash Disbursements:			
General Government	197,749	214,689	539,460
Public Safety	1,299,044	1,282,490	1,063,795
Public Works	659,963	675,826	823,101
Health	152,704	171,302	183,333
Conservation - Recreation	28,001	28,439	36,039
Capital Outlay	957,431	1,953,327	2,943,230
Debt Service	104,106	175,070	1,239,505
Total Cash Disbursements	<u>3,398,998</u>	<u>4,501,143</u>	<u>6,828,463</u>
Change in Net Assets	1,234,577	162,979	(1,425,490)
Net Assets, January 1	<u>7,180,441</u>	<u>7,017,462</u>	<u>8,442,952</u>
Net Assets, December 31	<u>\$8,415,018</u>	<u>\$7,180,441</u>	<u>\$7,017,462</u>

Program receipts represent 9 and 10 percent of total cash receipts for 2011 and 2010, respectively and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gasoline taxes.

General receipts represent 91 and 90 percent of the Township's total receipts for 2011 and 2010, respectively, and of this amount, 74 and 73 percent are local taxes for 2011 and 2010, respectively. State grants and entitlements make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

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 unallocated portion of the costs of the fiscal officer and trustees, as well as costs for the zoning and Licking County Health Department.

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

Public Safety is the costs of emergency medical and fire protection; Public Works disbursements are the costs of maintaining the Township roads including payroll and fringe benefit costs for employees.

Governmental Activities

If you look at the Statement of Activities on page 11 and 19 of the basic financial statements, 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. The major program disbursements for governmental activities are for General Government, Public Safety, Public Works and Capital Outlay, which combined account for 92 percent of all governmental disbursements for 2011 and 2010. The next two 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.

(Table 3)

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2011	2011	2010	2010
General Government	\$197,749	\$182,985	\$214,689	\$214,689
Public Safety	1,299,044	1,077,194	1,282,490	1,046,186
Public Works	659,963	560,234	675,826	569,333
Health	152,704	152,704	171,302	171,302
Human Services	0	(42,159)	0	(35,430)
Conservation-Recreation	28,001	18,001	28,439	18,089
Other	0	(49,240)	0	(62,863)
Capital Outlay	957,431	957,431	1,953,327	1,953,327
Debt Service	104,106	104,106	175,070	175,070
Total Disbursements	\$3,398,998	\$2,961,256	\$4,501,143	\$4,049,703

The dependence upon property and tax receipts is apparent as over 74 and 73 percent of these receipts represent total governmental activities general receipts for 2011 and 2010, respectively. The State of Ohio relies primarily on income taxes and sales taxes for revenues. The economic downturn in 2008 and following years resulted in lower income tax receipts and less sales of products in the state which decreased sales tax receipts. In 2011 to balance the State's budget, the Legislature chose to reduce funding to local government units such as Granville Township. The Legislature cut back on Local Government Fund dollars. In mid 2011, the Legislature also eliminated the remainder of the 17 year subsidy which it had been paying to compensate local government units for the elimination of Tangible Personal Property tax receipts which it completely eliminated in 2009. The final significant change the Legislature made in 2011 was to eliminate the Inheritance Tax which was distributed 80% to certain local government units (Townships, Villages and Cities) and 20% to the State

The Township's Funds

Total governmental funds had receipts and other financing sources of \$4,773,575 and disbursements and other financing uses of \$3,538,998 in 2011 and \$4,839,122 and \$4,676,143 in 2010, respectively. The greatest change within governmental funds occurred within the General Fund as this fund balance increased from \$426,337 at December 31, 2009 to \$885,948 at December 31, 2011.

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

As discussed earlier Granville Township does a five year financial plan each year. This plan creates a financial roadmap for where the Township officials believe the Township is heading. In the case of its General Fund it has been supported over the years by the receipt of inheritance tax revenue. This tax has been eliminated effective December 31, 2012 with some minor amounts expected to be received in 2013. The average \$200,000 to \$300,000 received each year will no longer be received for credit to the General Fund, while the expenditures charged to this fund will not go away. Thus the Trustees have been very judicious in the expenditure of money from the General Fund and expect to have this balance continue to grow through 2012 and then decline through 2017 or perhaps 2018 at which time the fund could be in a negative or deficit situation. The Ohio Constitution prevents government units from incurring deficits. Because of their planning the Trustees know this situation will arise in the future and plan to take steps to resolve this financial problem before a deficit would be reached. It is important to note that this discussion surrounds only the General Fund. All of the remaining funds continue to show good cash flows to be used for providing services in an orderly manner.

In 2011 and 2010, General Fund receipts were greater than disbursements by \$234,731 and \$224,880, respectively, indicating that the General Fund is avoiding a deficit spending situation. The Township continues to monitor its budget in future years to avoid possible deficits.

The Road & Bridge Fund had 2011 receipts and other financing sources of \$805,104 and disbursements of \$669,028. 2010 receipts and other financing sources were \$792,661 and disbursements were \$713,441. A fund balance of \$657,186 existed at 2011.

The Fire Fund had 2011 receipts and other financing sources of \$1,757,254 and disbursements and other financing uses of \$1,500,044. 2010 receipts and other financing sources were \$1,815,734 and disbursements and other financing uses were \$1,545,417. A fund balance of \$1,590,728 existed at 2011.

The Open Space Preservation Levy Fund had 2011 receipts of \$1,058,715 and disbursements of \$358,167. 2010 receipts were \$1,056,132 and disbursements were \$1,676,959. A fund balance of \$3,259,948 existed at 2011.

The Fire Equipment Capital Projects Fund had 2011 other financing sources of \$175,000 and disbursements of \$315,591. 2010 other financing sources were \$175,000 and disbursements were \$0. A fund balance of \$1,144,104 existed at 2011.

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 2011, the Township amended its General Fund budget. Original estimated receipts and appropriations were increased \$338,812. Final disbursements were budgeted at \$1,087,340 while actual disbursements were \$338,614. The Township experienced higher receipts than budgeted and appropriations were budgeted higher than actual disbursements.

During 2010, the Township did not amend its General Fund budget. Final disbursements were budgeted at \$461,320 while actual disbursements were \$196,987. The Township experienced higher receipts than budgeted and appropriations were budgeted higher than actual disbursements.

**GRANVILLE TOWNSHIP, LICKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

The Township does not currently record its capital assets and infrastructure within its financial statements.

Debt

At December 31, 2011, the Township's outstanding debt included \$391,045 in general obligation notes and bonds issued for land preservation and for buildings and structures. For further information regarding the Township's debt, refer to Note 10 to the basic financial statements.

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 for approximately 80% of its property taxes and has little industry to support the tax base. The Tangible Personal Property Tax (TPP) assessed upon business assets other than land and buildings was eliminated by the State Legislature, on a step down basis beginning in calendar 2006 and was no longer collected in 2009. The only collections from TPP in 2011 and 2010 were payment of a State provided phasing out subsidy amount to partially offset the lost tax revenue and collections of delinquent amounts due from when the tax was in existence. As mentioned earlier in this commentary the State Legislature eliminated further subsidy payments beginning in July 2011.

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. As indicated earlier in this commentary, in mid 2011, which corresponds to the beginning of the State's fiscal year the Legislature significantly slashed its LGF distributions to all local government units, such as Granville Township. In addition, the inheritance tax, of which Granville Township received 80% was also eliminated and beginning in 2013, except for some residuals from deaths occurring in 2012, there will be no more inheritance tax receipts.

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.

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 43023-0315 or visit the Township's website at <http://www.granvilletownship.org> for contact information.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2011*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>8,415,018</u>
<i>Total Assets</i>	\$ <u><u>8,415,018</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$ 1,144,104
Other Purposes	6,208,207
Permanent Fund:	
Nonexpendable	176,759
Unrestricted	<u>885,948</u>
<i>Total Net Assets</i>	\$ <u><u>8,415,018</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, 2011*

	Cash Disbursements	Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 197,749	\$ 14,764	\$ -	\$ (182,985)
Public Safety	1,299,044	221,850	-	(1,077,194)
Public Works	659,963	-	99,729	(560,234)
Health	152,704	-	-	(152,704)
Human Services	-	42,159	-	42,159
Conservation-Recreation	28,001	-	10,000	(18,001)
Other	-	49,165	75	49,240
Capital Outlay	957,431	-	-	(957,431)
Debt Service	104,106	-	-	(104,106)
Total	\$ 3,398,998	\$ 327,938	\$ 109,804	(2,961,256)

General Receipts

Property and Other Local Taxes:

General	27,331
Road and Bridge	670,279
Fire	1,199,137
Open Space Preservation	882,814
Other Purposes	326,087
Grants and Entitlements Not Restricted to Specific Programs	769,935
Interest	5,688
Sale of Capital Assets	46,861
Other	267,701

Total General Receipts 4,195,833

Change in Net Assets 1,234,577

Net Assets Beginning of Year 7,180,441

Net Assets End of Year \$ 8,415,018

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2011*

	General	Road & Bridge	Fire	Preservation Levy	Fire Equipment Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 885,948	\$ 657,186	\$ 1,590,728	\$ 3,259,948	\$ 1,144,104	\$ 877,104	\$ 8,415,018
<i>Total Assets</i>	<u>\$ 885,948</u>	<u>\$ 657,186</u>	<u>\$ 1,590,728</u>	<u>\$ 3,259,948</u>	<u>\$ 1,144,104</u>	<u>\$ 877,104</u>	<u>\$ 8,415,018</u>
Fund Balances							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,759	\$ 176,759
Restricted	-	657,186	1,590,728	3,259,948	1,144,104	538,807	7,190,773
Assigned	88,920	-	-	-	-	161,538	250,458
Unassigned	797,028	-	-	-	-	-	797,028
<i>Total Fund Balances</i>	<u>\$ 885,948</u>	<u>\$ 657,186</u>	<u>\$ 1,590,728</u>	<u>\$ 3,259,948</u>	<u>\$ 1,144,104</u>	<u>\$ 877,104</u>	<u>\$ 8,415,018</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2011*

	General	Road & Bridge	Fire	Open Space Preservation Levy	Fire Equipment Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash Receipts							
Property and Other Local Taxes	\$ 27,331	\$ 670,279	\$ 1,199,137	\$ 882,814	\$ -	\$ 326,087	\$ 3,105,648
Licenses, Permits and Fees	14,764	-	-	-	-	24,159	38,923
Charges for Services	-	-	216,000	-	-	-	216,000
Intergovernmental	252,735	103,769	271,555	133,414	-	118,266	879,739
Interest	3,970	-	-	-	-	1,718	5,688
Other	185,405	21,685	65,729	42,487	-	22,593	337,899
<i>Total Cash Receipts</i>	<u>484,205</u>	<u>795,733</u>	<u>1,752,421</u>	<u>1,058,715</u>	<u>-</u>	<u>492,823</u>	<u>4,583,897</u>
Cash Disbursements							
Current:							
General Government	141,710	6,469	-	42,173	-	7,397	197,749
Public Safety	-	-	1,299,044	-	-	-	1,299,044
Public Works	432	565,821	-	-	-	93,710	659,963
Health	24,758	-	-	-	-	127,946	152,704
Conservation-Recreation	26,767	-	-	-	-	1,234	28,001
Capital Outlay	56,027	31,238	61,000	294,638	315,591	198,937	957,431
Debt Service:							
Principal Retirement	-	49,305	-	17,900	-	15,000	82,205
Interest and Fiscal Charges	-	16,195	-	3,456	-	2,250	21,901
<i>Total Cash Disbursements</i>	<u>249,694</u>	<u>669,028</u>	<u>1,360,044</u>	<u>358,167</u>	<u>315,591</u>	<u>446,474</u>	<u>3,398,998</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>234,511</u>	<u>126,705</u>	<u>392,377</u>	<u>700,548</u>	<u>(315,591)</u>	<u>46,349</u>	<u>1,184,899</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	-	9,161	2,700	-	35,000	-	46,861
Transfers In	-	-	-	-	140,000	-	140,000
Transfers Out	-	-	(140,000)	-	-	-	(140,000)
Other Financing Sources	220	210	2,133	-	-	254	2,817
<i>Total Other Financing Sources (Uses)</i>	<u>220</u>	<u>9,371</u>	<u>(135,167)</u>	<u>-</u>	<u>175,000</u>	<u>254</u>	<u>49,678</u>
<i>Net Change in Fund Balances</i>	234,731	136,076	257,210	700,548	(140,591)	46,603	1,234,577
<i>Fund Balances Beginning of Year</i>	<u>651,217</u>	<u>521,110</u>	<u>1,333,518</u>	<u>2,559,400</u>	<u>1,284,695</u>	<u>830,501</u>	<u>7,180,441</u>
<i>Fund Balances End of Year</i>	<u>\$ 885,948</u>	<u>\$ 657,186</u>	<u>\$ 1,590,728</u>	<u>\$ 3,259,948</u>	<u>\$ 1,144,104</u>	<u>\$ 877,104</u>	<u>\$ 8,415,018</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
General Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Cash Receipts				
Property and Other Local Taxes	\$ 30,468	\$ 26,686	\$ 27,331	\$ 645
Licenses, Permits and Fees	10,000	13,500	14,764	1,264
Intergovernmental	52,943	245,937	252,735	6,798
Interest	5,000	3,600	3,970	370
Other	-	147,500	185,405	37,905
<i>Total Cash Receipts</i>	<u>98,411</u>	<u>437,223</u>	<u>484,205</u>	<u>46,982</u>
Cash Disbursements				
Current:				
General Government	687,103	885,682	143,083	742,599
Public Works	600	600	431	169
Health	24,750	24,758	24,758	-
Conservation-Recreation	34,575	36,325	33,217	3,108
Capital Outlay	1,500	139,975	137,125	2,850
<i>Total Cash Disbursements</i>	<u>748,528</u>	<u>1,087,340</u>	<u>338,614</u>	<u>748,726</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(650,117)</u>	<u>(650,117)</u>	<u>145,591</u>	<u>795,708</u>
Other Financing Sources				
Other Financing Sources	-	-	220	220
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>220</u>	<u>220</u>
<i>Net Change in Fund Balance</i>	(650,117)	(650,117)	145,811	795,928
<i>Fund Balance Beginning of Year</i>	636,607	636,607	636,607	-
Prior Year Encumbrances Appropriated	14,610	14,610	14,610	-
<i>Fund Balance End of Year</i>	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 797,028</u>	<u>\$ 795,928</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Road & Bridge Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Cash Receipts				
Property and Other Local Taxes	\$ 747,281	\$ 670,008	\$ 670,279	\$ 271
Intergovernmental	31,435	96,473	103,769	7,296
Other	-	18,454	21,685	3,231
<i>Total Cash Receipts</i>	<u>778,716</u>	<u>784,935</u>	<u>795,733</u>	<u>10,798</u>
Cash Disbursements				
Current:				
General Government	8,082	8,082	6,469	1,613
Public Works	1,110,409	1,092,674	565,821	526,853
Capital Outlay	120,500	138,954	31,238	107,716
Debt Service:				
Principal Retirement	60,000	49,305	49,305	-
Interest and Fiscal Charges	-	16,195	16,195	-
<i>Total Cash Disbursements</i>	<u>1,298,991</u>	<u>1,305,210</u>	<u>669,028</u>	<u>636,182</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(520,275)</u>	<u>(520,275)</u>	<u>126,705</u>	<u>646,980</u>
Other Financing Sources				
Sale of Capital Assets	-	-	9,161	9,161
Other Financing Sources	-	-	210	210
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>9,371</u>	<u>9,371</u>
<i>Net Change in Fund Balance</i>	(520,275)	(520,275)	136,076	656,351
<i>Fund Balance Beginning of Year</i>	519,293	519,293	519,293	-
Prior Year Encumbrances Appropriated	1,817	1,817	1,817	-
<i>Fund Balance End of Year</i>	<u>\$ 835</u>	<u>\$ 835</u>	<u>\$ 657,186</u>	<u>\$ 656,351</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Fire Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cash Receipts				
Property and Other Local Taxes	\$1,336,920	\$1,181,169	\$1,199,137	\$ 17,968
Charges for Services	212,000	216,000	216,000	-
Intergovernmental	21,678	267,325	271,555	4,230
Other	40,000	51,500	65,729	14,229
<i>Total Cash Receipts</i>	<u>1,610,598</u>	<u>1,715,994</u>	<u>1,752,421</u>	<u>36,427</u>
Cash Disbursements				
Current:				
Public Safety	2,674,239	2,776,235	1,311,194	1,465,041
Capital Outlay	125,300	131,400	62,000	69,400
<i>Total Cash Disbursements</i>	<u>2,799,539</u>	<u>2,907,635</u>	<u>1,373,194</u>	<u>1,534,441</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(1,188,941)</u>	<u>(1,191,641)</u>	<u>379,227</u>	<u>1,570,868</u>
Other Financing Sources (Uses)				
Other Financing Sources	-	-	2,133	2,133
Sale of Capital Assets	-	2,700	2,700	-
Transfers Out	(140,000)	(140,000)	(140,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(140,000)</u>	<u>(137,300)</u>	<u>(135,167)</u>	<u>2,133</u>
<i>Net Change in Fund Balance</i>	(1,328,941)	(1,328,941)	244,060	1,573,001
<i>Fund Balance Beginning of Year</i>	1,325,924	1,325,924	1,325,924	-
Prior Year Encumbrances Appropriated	7,594	7,594	7,594	-
<i>Fund Balance End of Year</i>	<u>\$ 4,577</u>	<u>\$ 4,577</u>	<u>\$1,577,578</u>	<u>\$ 1,573,001</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Open Space Preservation Levy Fund
For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Cash Receipts				
Property and Other Local Taxes	\$ 984,235	\$ 881,862	\$ 882,814	\$ 952
Intergovernmental	32,988	125,814	133,414	7,600
Other	-	10,000	42,487	32,487
<i>Total Cash Receipts</i>	<u>1,017,223</u>	<u>1,017,676</u>	<u>1,058,715</u>	<u>41,039</u>
Cash Disbursements				
Current:				
General Government	2,490,991	2,491,444	42,933	2,448,511
Capital Outlay	1,000,000	1,000,000	294,638	705,362
Debt Service:				
Principal Retirement	76,800	76,800	76,800	-
Interest and Fiscal Charges	8,832	8,832	8,832	-
<i>Total Cash Disbursements</i>	<u>3,576,623</u>	<u>3,577,076</u>	<u>423,203</u>	<u>3,153,873</u>
<i>Net Change in Fund Balance</i>	(2,559,400)	(2,559,400)	635,512	3,194,912
<i>Fund Balance Beginning of Year</i>	2,473,768	2,473,768	2,473,768	-
Prior Year Encumbrances Appropriated	<u>85,632</u>	<u>85,632</u>	<u>85,632</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,194,912</u>	<u>\$ 3,194,912</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Net Assets - Cash Basis
December 31, 2010*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 7,180,441</u>
<i>Total Assets</i>	<u><u>\$ 7,180,441</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$ 1,284,694
Other Purposes	5,067,771
Permanent Fund:	
Nonexpendable	176,759
Unrestricted	<u>651,217</u>
<i>Total Net Assets</i>	<u><u>\$ 7,180,441</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, 2010

	Cash Disbursements	Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 214,689	\$ -	\$ -	\$ (214,689)
Public Safety	1,282,490	234,804	1,500	(1,046,186)
Public Works	675,826	-	106,493	(569,333)
Health	171,302	-	-	(171,302)
Human Services	-	35,430	-	35,430
Conservation-Recreation	28,439	10,250	100	(18,089)
Other	-	34,000	28,863	62,863
Capital Outlay	1,953,327	-	-	(1,953,327)
Debt Service	175,070	-	-	(175,070)
Total	<u>\$ 4,501,143</u>	<u>\$ 314,484</u>	<u>\$ 136,956</u>	<u>(4,049,703)</u>

General Receipts

Property and Other Local Taxes:

General	26,915
Road and Bridge	620,856
Fire	1,180,126
Open Space Preservation	868,715
Other Purposes	379,268
Grants and Entitlements Not Restricted to Specific Programs	973,783
Interest	19,746
Sale of Capital Assets	4,500
Other	138,773

Total General Receipts 4,212,682

Change in Net Assets 162,979

Net Assets Beginning of Year 7,017,462

Net Assets End of Year \$ 7,180,441

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010*

	General	Road & Bridge	Fire	Preservation Levy	Fire Equipment Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 651,217	\$ 521,110	\$ 1,333,518	\$ 2,559,400	\$ 1,284,695	\$ 830,501	\$ 7,180,441
<i>Total Assets</i>	<u>\$ 651,217</u>	<u>\$ 521,110</u>	<u>\$ 1,333,518</u>	<u>\$ 2,559,400</u>	<u>\$ 1,284,695</u>	<u>\$ 830,501</u>	<u>\$ 7,180,441</u>
Fund Balances							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,759	\$ 176,759
Restricted	-	521,110	1,333,518	2,559,400	1,284,695	473,720	6,172,443
Assigned	14,610	-	-	-	-	180,022	194,632
Unassigned	636,607	-	-	-	-	-	636,607
<i>Total Fund Balances</i>	<u>\$ 651,217</u>	<u>\$ 521,110</u>	<u>\$ 1,333,518</u>	<u>\$ 2,559,400</u>	<u>\$ 1,284,695</u>	<u>\$ 830,501</u>	<u>\$ 7,180,441</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010*

	General	Road & Bridge	Fire	Open Space Preservation Levy	Fire Equipment Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash Receipts							
Property and Other Local Taxes	\$ 26,915	\$ 620,856	\$ 1,180,126	\$ 868,715	\$ -	\$ 379,268	\$ 3,075,880
Licenses, Permits and Fees	8,351	-	-	-	-	26,879	35,230
Charges for Services	-	-	212,100	-	-	-	212,100
Intergovernmental	328,303	127,283	322,866	161,970	-	170,317	1,110,739
Interest	17,192	-	-	-	-	2,554	19,746
Other	25,182	40,022	100,636	25,447	-	13,320	204,607
<i>Total Cash Receipts</i>	<u>405,943</u>	<u>788,161</u>	<u>1,815,728</u>	<u>1,056,132</u>	<u>-</u>	<u>592,338</u>	<u>4,658,302</u>
Cash Disbursements							
Current:							
General Government	130,418	5,571	-	68,583	-	10,117	214,689
Public Safety	-	-	1,282,490	-	-	-	1,282,490
Public Works	389	583,502	-	-	-	91,935	675,826
Health	23,896	-	-	-	-	147,406	171,302
Conservation-Recreation	27,674	-	-	-	-	765	28,439
Capital Outlay	-	54,368	87,927	1,521,006	-	290,026	1,953,327
Debt Service:							
Principal Retirement	-	58,550	-	80,300	-	15,000	153,850
Interest and Fiscal Charges	-	11,450	-	7,070	-	2,700	21,220
<i>Total Cash Disbursements</i>	<u>182,377</u>	<u>713,441</u>	<u>1,370,417</u>	<u>1,676,959</u>	<u>-</u>	<u>557,949</u>	<u>4,501,143</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>223,566</u>	<u>74,720</u>	<u>445,311</u>	<u>(620,827)</u>	<u>-</u>	<u>34,389</u>	<u>157,159</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	-	4,500	-	-	-	-	4,500
Transfers In	-	-	-	-	175,000	-	175,000
Transfers Out	-	-	(175,000)	-	-	-	(175,000)
Other Financing Sources	1,314	-	6	-	-	-	1,320
<i>Total Other Financing Sources (Uses)</i>	<u>1,314</u>	<u>4,500</u>	<u>(174,994)</u>	<u>-</u>	<u>175,000</u>	<u>-</u>	<u>5,820</u>
<i>Net Change in Fund Balances</i>	224,880	79,220	270,317	(620,827)	175,000	34,389	162,979
<i>Fund Balances Beginning 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>
<i>Fund Balances End of Year</i>	<u>\$ 651,217</u>	<u>\$ 521,110</u>	<u>\$ 1,333,518</u>	<u>\$ 2,559,400</u>	<u>\$ 1,284,695</u>	<u>\$ 830,501</u>	<u>\$ 7,180,441</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
General Fund
For the Year Ended December 31, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Cash Receipts				
Property and Other Local Taxes	\$ 29,459	\$ 25,759	\$ 26,915	\$ 1,156
Licenses, Permits and Fees	9,000	8,351	8,351	-
Intergovernmental	175,312	179,012	328,303	149,291
Interest	1,000	6,888	17,192	10,304
Other	5,500	261	25,182	24,921
<i>Total Cash Receipts</i>	<u>220,271</u>	<u>220,271</u>	<u>405,943</u>	<u>185,672</u>
Cash Disbursements				
Current:				
General Government	403,220	391,469	133,778	257,691
Public Works	600	600	389	211
Health	24,250	24,250	23,896	354
Conservation-Recreation	31,750	43,501	38,924	4,577
Capital Outlay	1,500	1,500	-	1,500
<i>Total Cash Disbursements</i>	<u>461,320</u>	<u>461,320</u>	<u>196,987</u>	<u>264,333</u>
Excess of Cash Receipts <i>Over (Under) Cash Disbursements</i>	<u>(241,049)</u>	<u>(241,049)</u>	<u>208,956</u>	<u>450,005</u>
Other Financing Sources				
Other Financing Sources	-	-	1,314	1,314
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>1,314</u>
<i>Net Change in Fund Balance</i>	(241,049)	(241,049)	210,270	451,319
<i>Fund Balance Beginning of Year</i>	412,938	412,938	412,938	-
Prior Year Encumbrances Appropriated	13,399	13,399	13,399	-
<i>Fund Balance End of Year</i>	<u>\$ 185,288</u>	<u>\$ 185,288</u>	<u>\$ 636,607</u>	<u>\$ 451,319</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Road & Bridge Fund
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Cash Receipts				
Property and Other Local Taxes	\$ 678,785	\$ 591,358	\$ 620,856	\$ 29,498
Intergovernmental	35,683	123,110	127,283	4,173
Other	-	28,863	40,022	11,159
<i>Total Cash Receipts</i>	<u>714,468</u>	<u>743,331</u>	<u>788,161</u>	<u>44,830</u>
Cash Disbursements				
Current:				
General Government	4,560	10,660	5,571	5,089
Public Works	958,654	975,815	585,319	390,496
Capital Outlay	133,000	128,601	54,368	74,233
Debt Service:				
Principal Retirement	60,000	58,550	58,550	-
Interest and Fiscal Charges	-	11,450	11,450	-
<i>Total Cash Disbursements</i>	<u>1,156,214</u>	<u>1,185,076</u>	<u>715,258</u>	<u>469,818</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(441,746)</u>	<u>(441,745)</u>	<u>72,903</u>	<u>514,648</u>
Other Financing Sources				
Sale of Capital Assets	-	-	4,500	4,500
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>
<i>Net Change in Fund Balance</i>	(441,746)	(441,745)	77,403	519,148
<i>Fund Balance Beginning of Year</i>	434,368	434,368	434,368	-
Prior Year Encumbrances Appropriated	<u>7,522</u>	<u>7,522</u>	<u>7,522</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 144</u>	<u>\$ 145</u>	<u>\$ 519,293</u>	<u>\$ 519,148</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Fire Fund
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Cash Receipts				
Property and Other Local Taxes	\$ 1,290,756	\$ 1,126,911	\$ 1,180,126	\$ 53,215
Charges for Services	200,000	200,000	212,100	12,100
Intergovernmental	162,222	328,366	322,866	(5,500)
Interest	1,000	-	-	-
Other	40,000	44,020	100,636	56,616
<i>Total Cash Receipts</i>	<u>1,693,978</u>	<u>1,699,297</u>	<u>1,815,728</u>	<u>116,431</u>
Cash Disbursements				
Current:				
Public Safety	2,423,823	2,429,142	1,290,084	1,139,058
Capital Outlay	158,356	158,356	87,927	70,429
<i>Total Cash Disbursements</i>	<u>2,582,179</u>	<u>2,587,498</u>	<u>1,378,011</u>	<u>1,209,487</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(888,201)</u>	<u>(888,201)</u>	<u>437,717</u>	<u>1,325,918</u>
Other Financing Sources (Uses)				
Other Financing Sources	-	-	6	6
Transfers Out	(175,000)	(175,000)	(175,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>(175,000)</u>	<u>(174,994)</u>	<u>6</u>
<i>Net Change in Fund Balance</i>	(1,063,201)	(1,063,201)	262,723	1,325,924
<i>Fund Balance Beginning of Year</i>	1,037,589	1,037,589	1,037,589	-
Prior Year Encumbrances Appropriated	25,612	25,612	25,612	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,325,924</u>	<u>\$ 1,325,924</u>

See accompanying notes to the basic financial statements

**GRANVILLE TOWNSHIP
LICKING COUNTY**

*Statement of Cash Receipts, Cash Disbursements and Changes
In Fund Balance - Budget and Actual -(Budgetary Basis)
Open Space Preservation Levy Fund
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Cash Receipts				
Property and Other Local Taxes	\$ 950,228	\$ 829,784	\$ 868,715	\$ 38,931
Intergovernmental	37,185	157,628	161,970	4,342
Interest	5,000	-	-	-
Other	-	5,000	25,447	20,447
<i>Total Cash Receipts</i>	<u>992,413</u>	<u>992,412</u>	<u>1,056,132</u>	<u>63,720</u>
Cash Disbursements				
Current:				
General Government	3,324,198	1,574,198	68,583	1,505,615
Capital Outlay	791,000	2,367,998	1,521,006	846,992
Debt Service:				
Principal Retirement	-	157,100	157,100	-
Interest and Fiscal Charges	-	15,902	15,902	-
<i>Total Cash Disbursements</i>	<u>4,115,198</u>	<u>4,115,198</u>	<u>1,762,591</u>	<u>2,352,607</u>
<i>Net Change in Fund Balance</i>	(3,122,785)	(3,122,786)	(706,459)	2,416,327
<i>Fund Balance Beginning of Year</i>	3,007,225	3,007,225	3,007,225	-
Prior Year Encumbrances Appropriated	<u>173,002</u>	<u>173,002</u>	<u>173,002</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 57,442</u>	<u>\$ 57,441</u>	<u>\$ 2,473,768</u>	<u>\$ 2,416,327</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, 2011 AND 2010**

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 Recreation District to provide park 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. 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 Drive, Granville, Ohio 43023.

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, 2011 AND 2010
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2 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. 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 – cash basis and the statement of activities – cash basis 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 non-exchange transactions.

The statement of net assets – cash basis presents the cash balance of the governmental activities of the Township at year end. The statement of activities – cash basis 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 the year, 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. Non-major 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 funds of the Township are divided into one category, governmental.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 non-exchange transactions as governmental funds. The Township's major governmental funds are described below:

General Fund - This 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.

Road & Bridge Fund – This fund accounts for property tax and intergovernmental receipts for the maintenance and construction of Township roads.

Fire Fund – This fund accounts for property tax and intergovernmental receipts in order to provide fire and Emergency Medical Services to the Granville Community.

Open Space Preservation Levy Fund – This fund accounts for property tax and intergovernmental receipts for the purchase of land and development rights for open space preservation.

Fire Equipment Capital Projects Fund – This fund was established pursuant to Ohio Revised Code Section 5705.13(C) and receives transfers from the Fire Fund for the purpose of accumulating resources for the acquisition, construction, or improvement of fixed assets (a/k/a capital assets) of the Township's Fire Department. Capital assets include motor vehicles and trucks.

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. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note.

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 expenses and liabilities) 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 certificate of estimated resources and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (continued)

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 certificated of estimated resources in effect at the time final appropriations were passed by the Township. 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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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.

During 2011 and 2010, the Township invested in STAR Ohio except for a certificate of deposit which matured early in 2010.

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, 2011 and 2010.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund was \$3,970 and \$17,192 for 2011 and 2010, respectively.

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, 2011 and 2010.

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, 2011 AND 2010
(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. These items are not reflected as assets and liabilities in the accompanying financial statements. The Township did not have any interfund loans during 2011 and 2010.

J. Accumulated Leave

Upon retirement and after ten years of full-time service with the Township, employees are entitled to cash payments for 25% of unused sick leave earned as a Granville Township employee, at their currently hourly rate, up to a maximum payment of \$10,000. 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 8 and 9, and in accordance with state law the employer contributions include portions for pension benefits and for postretirement health care 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 on-behalf of the Township and principal and interest payments are reported when paid or when on-behalf of the Township.

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 parks and 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. None of the restricted net assets reported by the Township were by enabling legislation.

N. Fund Balance

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

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (continued)

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The Township did not have extraordinary or special items at December 31, 2011 or 2010.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 3 – Change in Accounting Principle

The Township has implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”, and GASB Statement No. 59, “*Financial Instruments Omnibus*”.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the financial statements of the Township.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Township.

Note 4 – 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 Cash Receipts, Cash Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Road & Bridge, Fire, and Open Space Preservation Levy Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at December 31, 2011 (budgetary basis) amounted to \$88,920 for the General Fund, \$13,150 for the Fire fund and \$65,036 for the Open Space Preservation Levy Fund. The encumbrances outstanding at December 31, 2010 (budgetary basis) amounted to \$14,610 for the General Fund, \$1,817 for the Road and Bridge Fund, \$7,594 for the Fire Fund and \$85,632 for the Open Space Preservation Levy Fund.

Note 5 – 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, 2011 AND 2010
(CONTINUED)**

Note 5 – 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
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. Granville Township has no collateral securities in the possession of any outside party. A financial depository must be compensated for the banking services it provides. This compensation may be in the form of hard dollar billing and payment for these fees. Or in the alternative, as Granville Township has chosen to do, the depositor may soft dollar compensate the depository by leaving balances on deposit with the bank. A requirement for any of the bank depositories used by Granville Township is that it be a member of the Federal Deposit Insurance Corporation (FDIC). Congress establishes the "insurance limits" which can be offered by the FDIC. In general terms, for the periods of 2010 and 2011 the coverage was \$250,000 per depositor. However, On November 9, 2010 the FDIC issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (D.F. Act) which provided beginning December 31, 2010, through December 31, 2012 that all noninterest bearing transaction accounts (a/k/a checking accounts) are fully insured, regardless of the balance of the account. The bank balances in Granville Township accounts at December 31, 2011 and 2010 were \$40,910 and \$330,502. Thus in both of these years, as the money was maintained in noninterest bearing transaction accounts, the balances were covered by the FDIC.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 5 – Deposits and Investments (continued)

Had the provisions of the D.F. Act not been in place \$145,943 would have been exposed to custodial credit risk because it was uninsured and uncollateralized. Although all Ohio statutory requirements for the deposit of money have been followed, non-compliance with federal requirements in the future could potentially subject the Township to a successful claim by the FDIC to investment securities pledged by the depository in accordance with the Ohio Revised Code

The Township has no deposit policy for custodial credit 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.

Investments

As of December 31, 2011 and 2010, the Township had the following investment:

<u>Investment Type</u>	<u>12/31/11 Value</u>	<u>12/31/10 Value</u>	<u>12/31/11 Investment Maturities</u>	<u>12/31/10 Investment Maturities</u>
STAR Ohio	<u>\$8,374,108</u>	<u>\$6,849,939</u>	<u>Average 57 Days</u>	<u>Average 58 Days</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Township’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized rating service.

Concentration of Credit Risk: The Township places no limit on the amount it may invest in any one issuer; however state statute limits investments in commercial paper and bankers’ acceptances to 25% of the interim monies available for investment at any one time.

Reconciliation of Cash, Cash Equivalents and Investments to the Statement of Net Assets

The following is a reconciliation of cash, cash equivalents and investments to the Statement of Net Assets as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Investments	\$8,374,108	\$6,849,939
Carrying amount of deposits	<u>40,910</u>	<u>330,502</u>
Total Cash and Cash Equivalents – Statement of Net Assets	<u>\$8,415,018</u>	<u>\$7,180,441</u>

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 6– Property Taxes

Property taxes include amounts levied against all real property, public utility real property and public utility personal assets located in the Township. Property tax receipts received in 2011 and 2010 for real and public utility personal property taxes represents collections of the 2010 and 2009 taxes.

2010 and 2009 real property taxes are levied after October 1, 2010 and October 1, 2009 on the assessed values as of January 1, 2010 and January 1, 2009, which are the lien dates. Assessed values for real property taxes, are established by State statute at 35 percent of appraised market value. Tax Year 2010 and 2009 real property taxes are collected in and intended to finance calendar years 2011 and 2010.

Real property taxes are payable semi-annually. 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. Licking County, in which Granville Township is located, has chosen such alternate dates. Property taxes in Licking County for a current collection year are typically due in February and July of each year.

Public utility personal property is assessed at varying percentages of true value. 2011 and 2010 public utility property taxes which became a lien on January 1, 2010 and January 1, 2009, are levied after October 1, 2010 and October 2009 and are collected in 2011 and 2010 at the same time as real property taxes.

The full tax rate for all Township operations for the tax years ended December 31, 2010 and December 31, 2009, was \$13.95 and \$13.95 per \$1,000 of assessed value. The tax year assessed values of real and personal property upon which 2011 and 2010 property tax receipt payments were based are as follows:

Tax year (taxes payable the following year)	2010	2009
Real Property		
Residential	\$258,929,720	\$257,268,600
Agriculture	12,863,470	12,735,670
Commercial/Industrial/Mineral	34,728,520	34,445,580
Public Utility Property		
Real	1,290	1,400
Personal	5,964,630	5,653,430
Total Assessed Value	<u>\$312,487,630</u>	<u>\$310,104,680</u>

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 7 – 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 for the following risks:

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 7 – Risk Management (continued)

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

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a 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.

Note 8 – 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. Granville Township has no participants in the member directed plan. 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, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member directed plan.

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, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. Up to the full amount of this 10 percent may be “picked-up” or “paid” by the employer. Granville Township does not pick-up any portion of the employee's contribution to the OPERS plans. Granville Township has no law and public safety employer units contributing to OPERS.

For the years ended December 31, 2011 and 2010, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2011 and 2010, member and employer contribution rates were consistent across all three plans.

The Township's 2010 employer contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the traditional plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 8 – Defined Benefit Pension Plan (continued)

The portion of employer contributions allocated to health care for members in the combined plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The Township’s 2011 employer contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the traditional plan was 4.0 percent from January 1 through December 31, 2011. The portion of employer contributions allocated to health care for members in the combined plan was 6.05 percent from January 1 through December 31, 2011

Employer contribution rates are actuarially determined and approved by the State Legislature. The Township’s and plan participant’s required contributions for pension obligations to the traditional and combined plans [there were no contributions to the member directed plans] were as follows for the years ended December 31, 2011, 2010, and 2009:

Plan	Plan Member Contributions	Employer (Township) Contributions.
2009 Traditional	\$27,135	\$37,989
2009 Combined	2,866	4,012
Total 2009 Contributions	\$30,001	\$42,001
2010 Traditional	\$27,439	\$38,415
2010 Combined	3,262	4,567
Total 2010 Contributions	\$30,701	\$42,982
2011 Traditional	\$28,005	\$39,206
2011 Combined	3,428	4,800
Total 2011 Contributions	\$31,433	\$44,006

Withholdings from Plan Members payroll and the Employer’s Contribution were 100% paid to OPERS for the years 2009, 2010 and 2011.

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 pension 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 – The Township has ten full-time firefighters who are plan members of the OP&F and no police officers. The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 24 percent. Up to the full amount of the employee’s 10 percent may be “picked-up” or “paid” by the employer. Granville Township does not pick-up any portion of the employee’s contribution to the OP&F plan.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 8 – Defined Benefit Pension Plan (continued)

The Township's required pension contributions to OP&F were \$154,560 for the year ended December 31, 2011, \$144,887 for the year ended December 31, 2010, and \$121,125 for the year ended December 31, 2009. 100 percent has been contributed for 2011-2009.

Note 9 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The traditional pension plan—a cost sharing, multiple-employer defined benefit pension plan; the member-directed plan—a defined contribution plan; and the combined plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Granville Township has no participants in the member directed plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement. In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented 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 post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011 and 2010, state and local employers contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the traditional plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the combined plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the traditional plan was 4.0 percent from January 1 through December 31, 2011. The portion of employer contributions allocated to health care for members in the combined plan was 6.05 percent from January 1 through December 31, 2011.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 9 – Postemployment Benefits (continued)

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$12,573, \$15,670, and \$17,740 respectively; 100 percent has been contributed for 2011-2009. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, 2007, and 2008. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care 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 financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 24.0 percent of covered payroll for fire employers. The Ohio Revised Code states that the employer contribution may not exceed 24% of covered payroll for fire fighter units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2011, 2010, and 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 9 – Postemployment Benefits (continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care 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.

The Township’s contributions to OP&F for the years ending December 31, 2011, 2010 and 2009 were \$154,560; \$144,837 and \$121,125 respectively. These employer contributions were 100% of the amounts due. Of these employer amounts paid \$43,431, \$40,699 and \$34,036 for those same years were allocated to the healthcare plan.

Note 10 – Debt

The Township’s long-term debt activity for the period January 1, 2010 – December 31, 2011, was as follows:

	Interest Rate	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2011	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds and Notes:						
Township Building Bonds	3.94%	\$380,000	\$0	(\$107,855)	\$272,145	\$46,396
Joseph White Bonds	4.5%	94,000	0	(35,100)	58,900	18,800
Homestead Farm Inc. Bonds	4.5%	63,100	0	(63,100)	0	0
Conservation Club Bonds	3%	90,000	0	(30,000)	60,000	15,000
Total		<u>\$627,100</u>	<u>\$0</u>	<u>(\$236,055)</u>	<u>\$391,045</u>	<u>\$80,196</u>

Three conservation easement acquisition bonds were issued during 2003 to finance the purchase of conservation easements from Joseph White, James White, and Homestead Farm Inc. for the purpose of acquiring interests 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 Fund. The James White bond matured on April 1, 2007.

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 several structures on 11.3 acres of land from the Raccoon Valley Conservation Club Inc. The bonds are paid from the Township’s Opera House Fund within 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 original rate was 4.8 percent, which could re-set for years six through ten and from year eleven to maturity based upon changes to a designated published rate index. The Township Officials have followed a practice of making additional principal payments as funds are available. In addition, because of the lower interest rate market, the Township negotiated a rate reduction with its lender effective mid-August 2011. These supplemental payments, along with the reduced rate of interest, have reduced the projected maturity of the bond issue to 2017. The rate of interest used in the following table is 3.94% as the future rate adjustment which could occur August 13, 2014 cannot be known as this time.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 10 – Debt (continued)

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

Year	Township Building Bonds		Joseph White Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 46,396	\$10,901	\$18,800	\$2,650
2013	48,279	9,018	19,600	1,804
2014	50,208	7,089	20,500	922
2015	52,214	5,084	0	0
2016	54,291	3,006	0	0
2017	20,757	829	0	0
Totals	<u>\$272,145</u>	<u>\$35,927</u>	<u>\$58,900</u>	<u>\$5,376</u>

Year	Conservation Club Bonds	
	Principal	Interest
2012	\$15,000	\$1,800
2013	15,000	1,350
2014	15,000	900
2015	15,000	450
Totals	<u>\$60,000</u>	<u>\$4,500</u>

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below for 2011:

Fund Balances	General	Road & Bridge	Fire	Open Space Preservation	Fire Capital Equipment	Other Governmental Funds	Total
Nonspendable							
Cemetery	\$0	\$0	\$0	\$0	\$0	\$176,759	\$176,759
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>176,759</u>	<u>176,759</u>
Restricted for							
Road and Bridge	0	657,186	0	0	0	138,742	795,928
Fire	0	0	1,590,728	0	1,144,104	0	2,734,832
Land Preservation	0	0	0	3,259,948	0	0	3,259,948
Recreation	0	0	0	0	0	16,575	16,575
Cemetery	0	0	0	0	0	375,702	375,702
Kendall TIF	0	0	0	0	0	7,788	7,788
<i>Total Restricted</i>	<u>0</u>	<u>657,186</u>	<u>1,590,728</u>	<u>3,259,948</u>	<u>1,144,104</u>	<u>538,807</u>	<u>7,190,773</u>
Assigned to							
Other Purposes	88,920	0	0	0	0	161,538	250,458
Unassigned (Deficit)	<u>797,028</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>797,028</u>
<i>Total Fund Balances</i>	<u>\$885,948</u>	<u>\$657,186</u>	<u>\$1,590,728</u>	<u>\$3,259,948</u>	<u>\$1,144,104</u>	<u>\$877,104</u>	<u>\$8,415,018</u>

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 11 – Fund Balances (continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below for 2010:

Fund Balances	General	Road & Bridge	Fire	Open Space Preservation	Fire Capital Equipment	Other Governmental Funds	Total
Nonspendable							
Cemetery	\$0	\$0	\$0	\$0	\$0	\$176,759	\$176,759
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>176,759</u>	<u>176,759</u>
Restricted for							
Road and Bridge	0	521,110	0	0	0	131,074	652,184
Fire	0	0	1,333,518	0	1,284,695	0	2,618,213
Land Preservation	0	0	0	2,559,400	0	0	2,559,400
Recreation	0	0	0	0	0	22,380	22,380
Cemetery	0	0	0	0	0	312,478	312,478
Kendall TIF	0	0	0	0	0	7,788	7,788
<i>Total Restricted</i>	<u>0</u>	<u>521,110</u>	<u>1,333,518</u>	<u>2,559,400</u>	<u>1,284,695</u>	<u>473,720</u>	<u>6,172,443</u>
Assigned to							
Other Purposes	14,610	0	0	0	0	180,022	194,632
Unassigned (Deficit)	<u>636,607</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>636,607</u>
<i>Total Fund Balances</i>	<u><u>\$651,217</u></u>	<u><u>\$521,110</u></u>	<u><u>\$1,333,518</u></u>	<u><u>\$2,559,400</u></u>	<u><u>\$1,284,695</u></u>	<u><u>\$830,501</u></u>	<u><u>\$7,180,441</u></u>

Note 12 – Interfund Transfers

During 2011 and 2010, the Fire Fund transferred \$140,000 and \$175,000, respectively, to the Fire Equipment Capital Projects Fund to provide additional resources for fire capital improvements. In addition, in 2011, \$35,000 from the sale of used fire apparatus was credited to this fund. The fund was established and accounted for pursuant to Ohio Revised Code Section 5705.13(C).

Note 13 – Jointly Governed Organizations

The Granville Recreation District is a distinct political subdivision of the State of Ohio, organized under Ohio Revised Code Section 755.14, operated under the direction of a Board consisting of one representative from each of the participating entities: the Village of Granville, Granville Township and the Granville Exempted Village School District and two additional at-large Board members selected by a majority vote of the three government entity representatives. This District was established in 2009.

Note 14 – Contingent Liabilities

The Township is currently not involved in any litigation.

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

Note 15 – Subsequent Event

Since 1970, Granville Township has collected money from road and bridge levies through a taxing district comprising that portion of Granville Township, which is not included within the corporate limits of a municipal corporation which is designated as “Taxing Districts No. 019 and 021” on the records of the Licking County Auditor. These two Taxing Districts have functioned and operated as a “Road District” as that concept and term is outlined and authorized in ORC Section 5573.2. In December 2011, the Board of Granville Township Trustees, assisted by the Licking County Prosecutor, passed a Resolution specifying the Township did in fact have a Road District and effective January 1, 2012 all balances from the former Road and Bridge Fund on the books of the Township as of December 31, 2011 are now reflected in a different fund entitled “Road District Fund”. All future revenue receipts, appropriations and expenditures which would have previously been reflected in the Road and Bridge Fund will now be recorded in the Road District Fund. The three elected Township Trustees are also the Trustees of the Road District.



Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Granville Township, Licking County, (the Township) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 21, 2012, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles and adopted Governmental Accounting Standards Board Statement No.'s 54 and 59 as disclosed in Note 3. 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 opinions 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.

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 more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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
Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*
Page 2

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

Wilson, Shuman & Snow, Inc.

February 21, 2012

**GRANVILLE TOWNSHIP
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <u>Explain:</u>
2009-001	Interest Allocation	Yes	NA.



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
MAY 24, 2012