



**PLEASANT TOWNSHIP
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PLEASANT TOWNSHIP
CLARK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Clark County
P.O. Box 39
Catawba, Ohio 43010

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Clark County, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pleasant Township
Clark County
Report of Independent Accountants
Page 2

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

Jim Petro
Auditor of State

May 4, 2001

**PLEASANT TOWNSHIP
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$15,005	\$176,861	\$191,866
Intergovernmental	31,215	96,800	128,015
Charges for Services		4,500	4,500
Licenses, Permits, and Fees		13,435	13,435
Earnings on Investments	3,808		3,808
Other Revenue	<u>41,688</u>	<u>25,999</u>	<u>67,687</u>
 Total Cash Receipts	 <u>91,716</u>	 <u>317,595</u>	 <u>409,311</u>
 Cash Disbursements:			
Current:			
General Government	48,961		48,961
Public Safety		95,366	95,366
Public Works		135,365	135,365
Health		39,954	39,954
Debt Service:			
Redemption of Principal	11,327		11,327
Interest and Fiscal Charges	7,190		7,190
Capital Outlay	<u>40,000</u>	<u>31,514</u>	<u>71,514</u>
 Total Cash Disbursements	 <u>107,478</u>	 <u>302,199</u>	 <u>409,677</u>
 Total Receipts Over/(Under) Disbursements	 (15,762)	 15,396	 (366)
 Fund Cash Balances, January 1	 <u>23,012</u>	 <u>61,421</u>	 <u>84,433</u>
 Fund Cash Balances, December 31	 <u><u>\$7,250</u></u>	 <u><u>\$76,817</u></u>	 <u><u>\$84,067</u></u>

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Fiduciary Funds</u>
Cash Receipts:	
Earnings on investments	\$5,476
Cash Disbursements:	
Current:	
Capital outlay	<u>7,699</u>
Total receipts (under) disbursements	(2,223)
Fund cash balance, January 1	<u>82,192</u>
Fund cash balance, December 31	<u><u>\$79,969</u></u>

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$14,558	\$166,559	\$181,117
Intergovernmental	21,230	99,023	120,253
Charges for Services		4,500	4,500
Licenses, Permits, and Fees		8,671	8,671
Earnings on Investments	4,601		4,601
Other Revenue	20,979	21,076	42,055
	<u>61,368</u>	<u>299,829</u>	<u>361,197</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	49,135		49,135
Public Safety		94,552	94,552
Public Works		145,874	145,874
Health		37,182	37,182
Debt Service:			
Redemption of Principal	11,327		11,327
Interest and Fiscal Charges	7,190		7,190
Capital Outlay		41,153	41,153
	<u>67,652</u>	<u>318,761</u>	<u>386,413</u>
Total Cash Disbursements			
Total Receipts (Under) Disbursements	(6,284)	(18,932)	(25,216)
Fund Cash Balances, January 1	<u>29,296</u>	<u>80,353</u>	<u>109,649</u>
Fund Cash Balances, December 31	<u><u>\$23,012</u></u>	<u><u>\$61,421</u></u>	<u><u>\$84,433</u></u>

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Funds</u>
Cash receipts:	
Earnings on investments	\$4,946
Other revenue	<u>830</u>
Total cash receipts	5,776
Cash disbursements:	
Current:	
Capital outlay	<u>4,806</u>
Total receipts over disbursements	970
Fund cash balance, January 1	<u>81,222</u>
Fund cash balance, December 31	<u><u>\$82,192</u></u>

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Clark County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including street maintenance, fire protection, and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost. The Township received a cemetery bequest nonexpendable trust of \$75,000 in stocks during 1977. The stocks are held by Mellon Bank in Philadelphia, Pennsylvania. For the year ending December 31, 2000, the stocks market value was \$242,643.

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Road and Bridge Fund - This fund receives tax money for repair and maintenance of township roads and bridges.

Fire District Fund - This fund receives tax money and donations for providing fire protection.

3. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund - A nonexpendable trust fund. The Township received \$75,000 during 1977. Only interests earned can be used for grave upkeep as specified by the donor. The approximate market value of this account as of December 31, 2000 was \$242,643.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. The Township did not use the encumbrance method of accounting.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$89,036	\$89,625
Certificates of deposit	0	2,000
Total deposits	89,036	91,625
Investment Trust Account	75,000	75,000
Total deposits and investments	\$ 164,036	\$ 166,625

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Various stocks were willed to the Township and only interest can be used for the upkeep of the Asbury Chapel Cemetery. The market value of the trust fund assets was \$243, 643 as of December 31, 2000 and \$246,528 as of December 31, 1999.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$109,771	\$91,716	(\$18,055)
Special Revenue	305,543	317,595	12,052
Fiduciary	7,000	5,476	(\$1,524)
Total	\$422,314	\$414,787	(\$7,527)

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,980	\$107,478	(\$15,498)
Special Revenue	355,606	302,199	53,407
Fiduciary	14,100	7,699	\$6,401
Total	<u>\$461,686</u>	<u>\$417,376</u>	<u>\$44,310</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,373	\$61,368	(\$7,005)
Special Revenue	281,275	299,829	18,554
Fiduciary	7,000	5,776	(\$1,224)
Total	<u>\$356,648</u>	<u>\$366,973</u>	<u>\$10,325</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$136,450	\$67,652	\$68,798
Special Revenue	298,791	318,761	(19,970)
Fiduciary	13,200	4,806	\$8,394
Total	<u>\$448,441</u>	<u>\$391,219</u>	<u>\$57,222</u>

4. PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. DEBT

Debt Outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Post Office Construction Note	\$ 57,211	9%
New Tanker Note	21,144	6.50%
Land Note	<u>20,000</u>	8%
Total	<u>\$100,438</u>	

The Post Office Building Note was borrowed for the purpose of constructing a new township building. The U. S. Post Office leases its office from the Township and lease payment is credited the Township's General Fund.

The New Tanker Note was issued on October 31, 1997 for the purpose of purchasing a new fire tanker. An annual payment of \$11,613.57 is paid from Fire District Fund.

The Land Note was borrowed on June 6, 2000 for the purpose of purchasing land for cemetery purposes.

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

Year Ending December 31:	Post Office Construction Note	New Tanker Note	Land Note
2001	\$18,517	\$11,613	\$ 2,981
2002	18,517	11,614	2,980
2003	18,517	0	2,981
2004	14,594	0	2,980
2005	0	0	2,981
Subsequent	<u>0</u>	<u>0</u>	<u>14,903</u>
Total	\$70,145	\$23,227	\$29,806

6. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Township has paid all contributions required through December 31, 2000.

**PLEASANT TOWNSHIP
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

8. CONTINGENT LIABILITIES

The Township is not a defendant in any that counsel believes will materially adversely affect the Township's financial condition.



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

Pleasant Township
Clark County
P.O. Box 39
Catawba, Ohio 43010

To the Board of Trustees:

We have audited the financial statements of Pleasant Township (the "Township"), Clark County as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2000-40312-001. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated May 4, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Pleasant Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-40312-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we also consider the reportable condition described above as item 2000-40312-002, to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 4, 2001.

Pleasant Township
Clark County
Report of Independent Accountants on Compliance and
on Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

May 4, 2001

**PLEASANT TOWNSHIP
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2000-40312-001	Noncompliance
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Ohio Rev. Code Section 5705.41(D), provides that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exception to this basic requirement is provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1,000 for townships may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority

The township failed to properly certify, including the exception above, all tested expenditures amounting to \$22,480.56 during 1999 and 2000. Proper certification of funds would provide an accurate picture of remaining available appropriations and unencumbered funds which would aid in the financial decision making process.

Finding Number 2000-40312-002	Material Weakness
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A perpetual trust of \$75,000 was established during 1977 providing that the interest generated from this trust would be used to maintain Asbury Chapel Cemetery. The accompanying financial statements reflect this balance, however the township's financial records did not reflect the principal amount of the bequest.

The Township should include the \$75,000 bequest amount in the Nonexpendable Trust Fund balance to accurately reflect the fund balance.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PLEASANT TOWNSHIP

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 12, 2001**