

PLEASANT TOWNSHIP

DAYTON REGION, LOGAN COUNTY

REGULAR AUDIT

JANUARY 1, 2000 – DECEMBER 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st
Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Trustees
Pleasant Township
DeGraff, Ohio 43318

We have reviewed the Independent Auditor's Report of the Pleasant Township, Logan County, prepared by Vanderhorst & Manning CPAs, LLC, for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

June 25, 2001

This Page is Intentionally Left Blank.

**PLEASANT TOWNSHIP
LOGAN COUNTY**

TABLE OF CONTENTS

TABLE	PAGE
Report of Independent Auditors	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5 – 11
Report of Independent Accountants on Compliance and on Internal Control required by <i>Government Auditing Standards</i>	12 – 13

**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Pleasant Township
Logan County
9861 St. Rt. 47 W.
DeGraff, Ohio 43318

We have audited the accompanying financial statements of the Pleasant Township, Logan County, Ohio, (the Township), as of and for the years ended December 31, 2000 and December 31, 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 Pleasant Township, Logan County, Ohio, as of December 31, 2000 and December 31, 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 *Governmental Auditing Standards*, we have also issued a report dated June 12, 2001 on our consideration of the Township's internal control over financial reporting and our test of its compliance with certain provisions of law, 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
Logan County
Report of Independent Auditors
Page 2

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

June 12, 2001

**PLEASANT TOWNSHIP
LOGAN 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

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Total (Memorandum Only)
Cash Receipts:			
Taxes	\$ 14,579	\$ 11,140	\$ 25,719
Licenses, Permits and Fees	1,869	325	2,194
Intergovernmental Receipts	38,998	58,021	97,019
Interest	3,665	2,520	6,185
All Other Receipts	832	0	832
Total Cash Receipts	<u>59,943</u>	<u>72,006</u>	<u>131,949</u>
Cash Disbursements:			
Current:			
General Government	32,180	0	32,180
Public Safety	4,000	0	4,000
Public Works	667	55,261	55,928
Health	3,211	120	3,331
Capital Outlay	1,448	36,671	38,119
Total Cash Disbursements	<u>41,506</u>	<u>92,052</u>	<u>133,558</u>
Total Receipts Over/(Under) Disbursements	<u>18,437</u>	<u>(20,046)</u>	<u>(1,609)</u>
Other Financing Receipts/(Disbursements):			
Sale of Assets	1,783	0	1,783
Total Other Financing Receipts (Disbursements)	<u>1,783</u>	<u>0</u>	<u>1,783</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	20,220	(20,046)	174
Fund Cash Balances, January 1, 2000	<u>86,865</u>	<u>66,948</u>	<u>153,813</u>
Fund Cash Balances, December 31, 2000	<u>\$ 107,085</u>	<u>\$ 46,902</u>	<u>\$ 153,987</u>

The Notes to the Financial Statements are an integral part of this statement.

**PLEASANT TOWNSHIP
LOGAN 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

	GOVERNMENTAL FUND TYPES		
	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Cash Receipts:			
Taxes	\$ 14,985	\$ 11,217	26,202
Licenses, Permits and Fees	1,634	325	1,959
Intergovernmental Receipts	39,655	59,138	98,793
Interest	2,753	2,511	5,264
All Other Receipts	<u>4,186</u>	<u>0</u>	<u>4,186</u>
Total Cash Receipts	<u>63,213</u>	<u>73,191</u>	<u>136,404</u>
Cash Disbursements:			
Current:			
General Government	25,569	0	25,569
Public Safety	3,850	0	3,850
Public Works	664	75,767	76,431
Health	3,092	156	3,248
Capital Outlay	<u>2,876</u>	<u>4,063</u>	<u>6,939</u>
Total Cash Disbursements	<u>36,051</u>	<u>79,986</u>	<u>116,037</u>
Total Receipts Over/(Under) Disbursements	27,162	(6,795)	20,367
Other Financing Receipts/(Disbursements):			
Other Financing Sources	<u>18</u>	<u>0</u>	<u>18</u>
Total Other Financing Receipts (Disbursements)	<u>18</u>	<u>0</u>	<u>18</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,180	(6,795)	20,385
Fund Cash Balances, January 1, 1999	<u>59,685</u>	<u>73,743</u>	<u>133,428</u>
Fund Cash Balances, December 31, 1999	<u>\$ 86,865</u>	<u>\$ 66,948</u>	<u>153,813</u>

The Notes to the Financial Statements are an integral part of this statement.

**PLEASANT TOWNSHIP
LOGAN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

Pleasant Township of Logan County, Ohio, (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 road maintenance, cemetery management and fire protection.

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.

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:

**PLEASANT TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

General Fund

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

Special Revenue Funds:

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:

Gasoline Tax Fund – This fund receives gasoline tax and motor vehicle tax money for maintaining and repairing Township roads.

Capital Project Funds:

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

Public Works Commission Project Fund – This fund receives money from the Ohio Public Works Commission for the Township Highway System Project.

**PLEASANT TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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 cash basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2000	1999
Demand deposits	\$122,048	\$ 99,727
Certificate of Deposit	<u>31,939</u>	<u>54,086</u>
Total Deposits & Investments	\$153,987	\$153,813

Deposits:

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

3. BUDGETARY ACTIVITY

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

Fund Type	2000 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 63,200	\$ 61,726	\$ (1,474)
Special Revenue	<u>80,149</u>	<u>72,006</u>	<u>(8,143)</u>
Total	<u>\$143,349</u>	<u>\$133,732</u>	<u>\$ (9,617)</u>

**PLEASANT TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 97,550	\$ 41,506	\$ 56,044
Special Revenue	<u>145,800</u>	<u>92,052</u>	<u>53,748</u>
Total	<u>\$ 243,350</u>	<u>\$133,558</u>	<u>\$ 109,792</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 43,689	\$ 63,231	\$ 19,542
Special Revenue	<u>77,298</u>	<u>73,191</u>	<u>(4,107)</u>
Total	<u>\$120,987</u>	<u>\$136,422</u>	<u>\$ 15,435</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 70,000	\$ 36,051	\$ 33,949
Special Revenue	<u>149,700</u>	<u>79,986</u>	<u>69,714</u>
Total	<u>\$219,700</u>	<u>\$116,037</u>	<u>\$103,663</u>

**PLEASANT TOWNSHIP
LOGAN COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Township 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.

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.

5. RETIREMENT SYSTEMS

The Township officials and 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 health care, 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 contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000, through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**PLEASANT TOWNSHIP
LOGAN COUNTY**

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

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

7. CONTINGENT LIABILITIES

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

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

8. SUBSEQUENT EVENTS

No events have occurred subsequent to the financial statements, which would have a material impact.

**VANDERHORST & MANNING CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414**

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

Board of Trustees
Pleasant Township
Logan County
9861 St. Rt. 47 W.
DeGraff, Ohio 43318

We have audited the financial statements of Pleasant Township, Logan County, Ohio, (the Township), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 12, 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 the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 12, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 12, 2001.

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

June 12, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PLEASANT TOWNSHIP

LOGAN 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
JULY 10, 2001**