



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

March 8, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Reports completed prior to that date contain the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style.

DAVE YOST
Auditor of State

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**PLEASANT TOWNSHIP
MARION COUNTY**

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Mary Taylor, CPA
Auditor of State

Pleasant Township
Marion County
1035 Owens Road West
Marion, Ohio 43302

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Township to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 12, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Pleasant Township
Marion County
1035 Owens Road West
Marion, Ohio 43302

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2009 and 2008. 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 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Pleasant Township, Marion County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 8, during 2008, the Township changed its financial statement presentation method to conform to presentation methods the Auditor of State prescribes or permits.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2010, 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.



Mary Taylor, CPA
Auditor of State

October 12, 2010

**PLEASANT TOWNSHIP
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 94,658	\$ 312,182	\$ 406,840
Licenss, Permits, and Fees	22,391	5,152	27,543
Intergovernmental	65,046	161,309	226,355
Special Assessments	1,324	-	1,324
Earnings on Investments	1,680	6	1,686
Miscellaneous	4,667	8,630	13,297
	<u>189,766</u>	<u>487,279</u>	<u>677,045</u>
Cash Disbursements:			
Current:			
General Government	218,653	11,576	230,229
Public Safety	1,042	262,586	263,628
Public Works	-	60,400	60,400
Health	8,632	1,436	10,068
Conservation - Recreation	8,991	-	8,991
Capital Outlay	190	9	199
Debt Service:			
Redemption of Principal	-	20,117	20,117
Interest and Other Fiscal Charges	-	681	681
	<u>237,508</u>	<u>356,805</u>	<u>594,313</u>
Total Receipts Over/(Under) Disbursements	<u>(47,742)</u>	<u>130,474</u>	<u>82,732</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets	-	10,000	10,000
Advances-In	105,000	35,000	140,000
Advances-Out	(35,000)	(105,000)	(140,000)
	<u>70,000</u>	<u>(60,000)</u>	<u>10,000</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	22,258	70,474	92,732
Fund Cash Balances, January 1	<u>608,880</u>	<u>107,963</u>	<u>716,843</u>
Fund Cash Balances, December 31	<u>\$ 631,138</u>	<u>\$ 178,437</u>	<u>\$ 809,575</u>

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

**PLEASANT TOWNSHIP
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 100,867	\$ 199,026	\$ 299,893
Licenses, Permits, and Fees	17,730	6,659	24,389
Intergovernmental	78,281	113,414	191,695
Special Assessments	4,104	-	4,104
Earnings on Investments	18,487	593	19,080
Miscellaneous	5,776	5,145	10,921
	<u>225,245</u>	<u>324,837</u>	<u>550,082</u>
Cash Disbursements:			
Current:			
General Government	182,470	11,427	193,897
Public Safety	32,236	156,825	189,061
Public Works	-	165,634	165,634
Health	12,047	1,623	13,670
Conservation - Recreation	18,343	-	18,343
Capital Outlay	1,405	10,116	11,521
Debt Service:			
Redemption of Principal	-	62,654	62,654
Interest and Other Fiscal Charges	-	3,346	3,346
	<u>246,501</u>	<u>411,625</u>	<u>658,126</u>
Total Receipts Under Disbursements	<u>(21,256)</u>	<u>(86,788)</u>	<u>(108,044)</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets	-	3,525	3,525
Advances-In	-	80,000	80,000
Advances-Out	(80,000)	-	(80,000)
Other Financing Uses	(1,212)	-	(1,212)
	<u>(81,212)</u>	<u>83,525</u>	<u>2,313</u>
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	(102,468)	(3,263)	(105,731)
Fund Cash Balances, January 1	<u>711,348</u>	<u>111,226</u>	<u>822,574</u>
Fund Cash Balances, December 31	<u>\$ 608,880</u>	<u>\$ 107,963</u>	<u>\$ 716,843</u>
Reserve for Encumbrances, December 31	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

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

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Pleasant Township, Marion County, Ohio, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with Stofcheck Ambulance Service, Inc. for ambulance service. Police protection is provided by the Marion County Sheriff's Department.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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 money to pay for constructing, maintaining, and repairing Township roads.

Fire & EMS Fund - This fund receives property tax money provided by a levy voted by the people for the fire and EMS services and monies to purchase equipment.

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Equity in Pooled Deposits and Investments

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

	2009	2008
Demand deposits	\$210,802	\$114,732
STAR Ohio	598,773	602,111
Total deposits and investments	\$809,575	\$716,843

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$178,615	\$294,766	\$116,151
Special Revenue	449,470	532,279	82,809
Total	\$628,085	\$827,045	\$198,960

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$772,207	\$272,508	\$499,699
Special Revenue	572,720	461,805	110,915
Total	\$1,344,927	\$734,313	\$610,614

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$184,308	\$225,245	\$40,937
Special Revenue	329,694	408,362	78,668
Total	\$514,002	\$633,607	\$119,605

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$880,368	\$327,713	\$552,655
Special Revenue	456,207	412,125	44,082
Total	\$1,336,575	\$739,838	\$596,737

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

5. Capital Leases

On May 1, 2006, the Township entered into a lease/purchase agreement with Ohio Township Association Leasing, LLC for the purpose of obtaining a fire truck. The lease amount was \$140,000 at an interest rate of 4.56% for a term of three years. The initial payment was due May 15, 2007 with subsequent payments on May 15th and November 15th of each year and a final maturity date of May 15, 2009. Capital lease obligations were paid out of the Township's Fire and EMS Fund. The lease/purchase was paid off during 2009.

6. Retirement Systems

The Township's certified employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$10,000.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. Risk Management (Continued)

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2009</u>	<u>2008</u>
\$9,995	\$13,614

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. Change in Basis of Accounting

During 2008, the Township changed its financial statement presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* to conform to presentation methods the Auditor of State prescribes or permits. This change did not result in a restatement of the fund balances.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Pleasant Township
Marion County
1035 Owens Road West
Marion, Ohio 43302

To the Board of Trustees:

We have audited the financial statements of Pleasant Township, Marion County, Ohio, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 12, 2010, wherein we noted the Township changed their financial statement presentation method to conform to presentation methods the Auditor of State prescribes or permits. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code §117.101 requires the Auditor of State to provide UAN Services, and Ohio Revised Code §117.11(A) mandates the Auditor of State to audit Ohio governments. 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 opinion 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated October 12, 2010.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 12, 2010

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

**Material Weakness
Financial Reporting**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the December 31, 2009 financial statements and the Township's accounting records:

Adjustment of \$3,699 to move the Road and Bridge Fund activity out of the General Fund. The adjustment impacted ending cash fund balance and intergovernmental receipts.

Adjustment of \$44,387 to move the Fire and EMS Fund activity out of the General Fund. The adjustment impacted ending cash fund balance and intergovernmental receipts.

The following adjustments/reclassifications were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2009 financial statements:

Reclassification of \$4,126 in activity presented in the General Fund, decreasing property and other local tax receipts, and increasing intergovernmental receipts.

Reclassification of \$826 in activity presented in the Road and Bridge Fund, decreasing property and other local tax receipts, and increasing intergovernmental receipts.

Reclassification of \$7,477 in activity presented in the Fire and EMS Fund, decreasing property and other local tax receipts, and increasing intergovernmental receipts.

The following adjustments/reclassifications were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2008 financial statements:

Adjustment of \$3,300 to move the Land and Water Conservation Fund activity out of the General Fund. The adjustment impacted special assessment receipts, ending cash fund balance, and intergovernmental receipts.

Adjustment of \$3,303 to move the FEMA Fund activity out of the General Fund. The adjustment impacted intergovernmental receipts and ending cash fund balance.

Reclassification of \$10,257 in activity presented in the General Fund, decreasing property and other local taxes and increasing intergovernmental receipts.

Reclassification of \$1,908 in activity presented in the Road and Bridge Fund, decreasing property and other local taxes and increasing intergovernmental receipts.

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2009-001 (Continued)

**Material Weakness
Financial Reporting (Continued)**

Reclassification of \$17,321 in activity presented in the Fire and EMS Fund, decreasing property and other local taxes and increasing intergovernmental receipts.

The adjustments and reclassifications identified above should be reviewed by the Fiscal Officer and Township Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Township should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Township's activity.

FINDING NUMBER 2009-002

**Noncompliance Citation
Revenue Posting**

Ohio Rev. Code Section 5705.10 states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. Furthermore, such monies shall only be used for the purpose for which such funds are established.

As noted in Finding 2009-001, in 2009, the Township posted \$44,387 and \$3,699 of Fire and EMS Fund and Road and Bridge Fund intergovernmental receipts, respectively, to the General Fund.

The Township has agreed to and properly posted these adjustments to the accounting records. The adjustments are also reflected in the financial statements.

We recommend the Township closely monitor the posting of revenue derived for a particular purpose to ensure the revenue is paid into the special revenue fund for such purpose.

Officials' Response

We did not receive a response from Officials to the findings reported above.

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Significant Deficiency / Material Weakness - Financial Reporting	No	Not corrected. This comment is being repeated as finding 2009-001
2007-002	Material Noncompliance - Certification of Expenditures	Yes	
2007-003	Material Noncompliance / Significant Deficiency / Material Weakness - Establishment of Special Revenue Funds	Yes	

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Dave Yost • Auditor of State

PLEASANT TOWNSHIP

MARION 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
MARCH 8, 2011**