



**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PLEASANT TOWNSHIP
FAIRFIELD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Fairfield County
1170 Hillbrook Drive
Lancaster, Ohio 43130

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Fairfield County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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 and reserves for encumbrances of the Pleasant Township, Fairfield County, Ohio as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2000 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.

This report is intended solely for the information and use of management, the Board of 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 17, 2000

**PLEASANT TOWNSHIP
FAIRFIELD 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>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$35,423	\$454,940	\$0	\$0	\$490,363
Intergovernmental	172,873	123,844	0	164,152	460,869
Charges for Services	0	6,483	0	0	6,483
Licenses, Permits, and Fees	11,907	7,616	0	0	19,523
Earnings on Investments	33,706	3,307	0	0	37,013
Other Revenue	496	10,415	0	0	10,911
Total Cash Receipts	<u>254,405</u>	<u>606,605</u>	<u>0</u>	<u>164,152</u>	<u>1,025,162</u>
Cash Disbursements:					
Current:					
General Government	67,998	9,634	0	0	77,632
Public Safety	0	170,657	0	0	170,657
Public Works	5,850	287,332	0	0	293,182
Health	23,192	0	0	0	23,192
Debt Service:					
Redemption of Principal	0	0	19,000	0	19,000
Interest and Fiscal Charges	0	0	2,870	0	2,870
Capital Outlay	56,985	126,267	0	164,152	347,404
Total Cash Disbursements	<u>154,025</u>	<u>593,890</u>	<u>21,870</u>	<u>164,152</u>	<u>933,937</u>
Total Receipts Over/(Under) Disbursements	<u>100,380</u>	<u>12,715</u>	<u>(21,870)</u>	<u>0</u>	<u>91,225</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	21,870	100,000	121,870
Transfers-Out	(100,000)	(21,870)	0	0	(121,870)
Total Other Financing Receipts/(Disbursements)	<u>(100,000)</u>	<u>(21,870)</u>	<u>21,870</u>	<u>100,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	380	(9,155)	0	100,000	91,225
Fund Cash Balances, January 1, 1999	207,672	389,955	0	0	597,627
Fund Cash Balances, December 31, 1999	<u><u>\$208,052</u></u>	<u><u>\$380,800</u></u>	<u><u>\$0</u></u>	<u><u>\$100,000</u></u>	<u><u>\$688,852</u></u>
Reserve for Encumbrances, December 31, 1999	<u>\$309</u>	<u>\$2,099</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,408</u>

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

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$32,679	\$444,453	\$0	\$0	\$477,132
Intergovernmental	203,874	117,821	0	12,141	333,836
Licenses, Permits, and Fees	10,466	11,134	0	0	21,600
Earnings on Investments	26,055	2,963	0	0	29,018
Other Revenue	3,897	27,560	0	0	31,457
	276,971	603,931	0	12,141	893,043
Total Cash Receipts					
Cash Disbursements:					
Current:					
General Government	51,598	11,551	0	0	63,149
Public Safety	3,600	183,816	0	0	187,416
Public Works	11,253	221,082	0	0	232,335
Health	23,632	0	0	0	23,632
Debt Service:					
Redemption of Principal	0	0	21,080	0	21,080
Interest and Fiscal Charges	0	0	3,942	0	3,942
Capital Outlay	75,571	42,986	0	59,004	177,561
	165,654	459,435	25,022	59,004	709,115
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	111,317	144,496	(25,022)	(46,863)	183,928
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets	0	2,600	0	0	2,600
Transfers-In	0	5,000	25,022	46,863	76,885
Transfers-Out	(51,863)	(25,022)	0	0	(76,885)
	(51,863)	(17,422)	25,022	46,863	2,600
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	59,454	127,074	0	0	186,528
Fund Cash Balances, January 1, 1998	148,218	262,881	0	0	411,099
Fund Cash Balances, December 31, 1998	\$207,672	\$389,955	\$0	\$0	\$597,627
Reserve for Encumbrances, December 31, 1998	\$2,100	\$20,919	\$0	\$164,152	\$187,171

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

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Fairfield 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 and bridge 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

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales 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:

Motor Vehicle Licence Tax- This fund receives tax money for constructing, maintaining and repairing Township roads and bridges.

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire Operations Fund - This fund receives property tax receipts from fire levy assessed and user fees charged to participating municipalities to pay for fire, emergency medical services for the purchase of fire equipment, building construction and other services not paid for from the Fire Salaries Fund.

Fire Salary Fund- This fund receives property tax receipts to pay for firemen's salaries.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. Although the Township has not levied taxes to repay debt, they did establish a debt service fund to repay note indebtedness incurred for the purchase of fire equipment.

4. 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 (Issue II) Fund - This fund is used to record receipts and disbursements pertaining to Issue II grants monies received from the State of Ohio through the Ohio Public Works Commission.

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 and 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.

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 re-appropriated. The Township did not encumber funds prior to commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$19,966	\$58,678
Total deposits	19,966	58,678
STAR Ohio	668,886	538,949
Total investments	668,886	538,949
Total deposits and investments	\$688,852	\$597,627

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

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

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$153,903	\$254,405	\$100,502
Special Revenue	586,000	606,605	20,605
Debt Service	21,870	21,870	0
Capital Projects	264,152	264,152	0
Total	<u>\$1,025,925</u>	<u>\$1,147,032</u>	<u>\$121,107</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$295,712	\$254,334	\$41,378
Special Revenue	690,757	617,859	72,898
Debt Service	21,870	21,870	0
Capital Projects	164,152	164,152	0
Total	<u>\$1,172,491</u>	<u>\$1,058,215</u>	<u>\$114,276</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$138,104	\$276,971	\$138,867
Special Revenue	563,500	611,531	48,031
Debt Service	25,080	25,022	(58)
Capital Projects	239,580	59,004	(180,576)
Total	<u>\$966,264</u>	<u>\$972,528</u>	<u>(\$6,264)</u>

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$232,337	\$219,617	\$12,720
Special Revenue	600,730	505,376	95,354
Debt Service	25,080	25,022	58
Capital Projects	239,580	223,156	16,424
Total	\$1,097,727	\$973,171	\$124,556

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.

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. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Notes	35,920	5%
Total	\$35,920	

The general obligation Note was issued with Fairfield National, a division of Park National Bank for the purchase of a fire vehicle. The Loan was to be repaid in annual installments over five years with Fire Fund operating revenues.

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

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

5. DEBT (Continued)

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

Year ending <u>December 31:</u>	General Obligation <u>Notes</u>
2000	20,850
2001	<u>17,791</u>
Total	<u><u>\$38,641</u></u>

6. RETIREMENT SYSTEMS

Full-time 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 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

Part-time employees pay into Social Security for retirement benefits.

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 and dental and vision coverage to full-time employees through a private carrier.

8. SUBSEQUENT EVENTS

The Township passed a resolution on January 6, 2000 to purchase a parcel of land on State Route 188 and Coonpath Roads in the amount of \$80,014.



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

Pleasant Township
Fairfield County
1170 Hillbrook Drive
Lancaster, Ohio 43210

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Fairfield County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated July 17, 2000. 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 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

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. 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 another matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated July 17, 2000.

Pleasant Township
Fairfield County
Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

July 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PLEASANT TOWNSHIP

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 24, 2000**