



**PLEASANT TOWNSHIP
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PLEASANT TOWNSHIP
MARION COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings	11

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REPORT OF INDEPENDENT ACCOUNTANTS

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, 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 of Pleasant Township 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 April 27, 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 the Clerk, 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

April 27, 2000

**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, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$61,187	\$73,563	\$134,750
Licenses, Permits and Fees	1,743	6,596	8,339
Intergovernmental Receipts	140,387	68,105	208,492
Interest	21,827	4,918	26,745
Other Revenue	8,990	14,150	23,140
	<u>234,134</u>	<u>167,332</u>	<u>401,466</u>
Total Cash Receipts			
	<u>234,134</u>	<u>167,332</u>	<u>401,466</u>
Cash Disbursements:			
Current:			
General Government	89,954	6,494	96,448
Public Safety	0	34,737	34,737
Public Works	0	31,027	31,027
Health	1,817	499	2,316
Capital Outlay	68,897	3,893	72,790
	<u>160,668</u>	<u>76,650</u>	<u>237,318</u>
Total Cash Disbursements			
	<u>160,668</u>	<u>76,650</u>	<u>237,318</u>
Total Cash Receipts Over Cash Disbursements	<u>73,466</u>	<u>90,682</u>	<u>164,148</u>
	<u>73,466</u>	<u>90,682</u>	<u>164,148</u>
Other Financing Receipts:			
Other Financing Sources	241	0	241
	<u>241</u>	<u>0</u>	<u>241</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	<u>73,707</u>	<u>90,682</u>	<u>164,389</u>
	<u>73,707</u>	<u>90,682</u>	<u>164,389</u>
Fund Cash Balances, January 1, 1999	<u>227,397</u>	<u>209,878</u>	<u>437,275</u>
	<u>227,397</u>	<u>209,878</u>	<u>437,275</u>
Fund Cash Balances, December 31, 1999	<u><u>\$301,104</u></u>	<u><u>\$300,560</u></u>	<u><u>\$601,664</u></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, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$48,028	\$67,741	\$115,769
Licenses, Permits and Fees	0	8,145	8,145
Intergovernmental Receipts	168,924	60,655	229,579
Interest	14,150	5,770	19,920
Other Revenue	8,629	1,044	9,673
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	239,731	143,355	383,086
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	98,553	5,956	104,509
Public Safety	0	34,553	34,553
Public Works	0	99,544	99,544
Health	2,149	929	3,078
Capital Outlay	25,446	72,059	97,505
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	126,148	213,041	339,189
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	113,583	(69,686)	43,897
Fund Cash Balances, January 1, 1998	113,814	279,564	393,378
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 1998	<u>\$227,397</u>	<u>\$209,878</u>	<u>\$437,275</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, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Marion 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, cemetery maintenance, fire and emergency medical services, and zoning.

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 and 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 has the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining, and repairing Township roads.

**PLEASANT TOWNSHIP
MARION 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)

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Fire and EMS - This fund receives property tax money and is used for maintaining the Fire and EMS Departments for the Township.

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. 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber or certify all 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.

**PLEASANT TOWNSHIP
MARION COUNTY**

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

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>
Deposits	\$102,971	\$43,746
STAR Ohio	<u>498,693</u>	<u>393,529</u>
Total deposits and Investments	<u>\$601,664</u>	<u>\$437,275</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$126,361	\$234,375	\$108,014
Special Revenue	<u>133,001</u>	<u>167,332</u>	<u>34,331</u>
Total	<u>\$259,362</u>	<u>\$401,707</u>	<u>\$142,345</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$353,759	\$160,668	\$193,091
Special Revenue	<u>342,867</u>	<u>76,650</u>	<u>266,217</u>
Total	<u>\$696,626</u>	<u>\$237,318</u>	<u>\$459,308</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$106,319	\$239,731	\$133,412
Special Revenue	<u>121,446</u>	<u>143,355</u>	<u>21,909</u>
Total	<u>\$227,765</u>	<u>\$383,086</u>	<u>\$155,321</u>

**PLEASANT TOWNSHIP
MARION 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	\$220,133	\$126,148	\$93,985
Special Revenue	401,010	213,041	187,969
Total	\$621,143	\$339,189	\$281,954

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payments, 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. 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 post-retirement 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.

6. RISK MANAGEMENT

The Township has obtained commercial insurance through the Ohio Township Association Risk Management Authority for the following risks:

- Legal Liability - Third Party Claims Coverage
- Automobile Liability Coverage
- Wrongful Acts Coverage
- Automobile Physical Damage
- Property Coverage
 - Building and Contents
 - Inland Marine



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
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 accompanying financial statements of Pleasant Township, Marion 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 April 27, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-40651-001. Also, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated April 27, 2000.

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 a matter involving the internal controls 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 April 27, 2000.

This report is intended for the information and use of the Clerk 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". The signature is fluid and cursive, with a large loop at the end.

JIM PETRO
Auditor of State

April 27, 2000

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-40651-001

Noncompliance Citation

Certification by Clerk

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment 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 encumbrance. This section does allow exceptions when then and now certificates are utilized. If this exception is not met, contracts and orders for expenditures lacking prior certification should be null and void.

The Township expended funds without obtaining prior certification for fifty-one percent of expenditure transactions tested.

Not certifying each expenditure prior to the order or contract increases the likelihood that expenditures will exceed appropriations.

We recommend the Clerk certify all expenditures prior to the purchase of goods or services.



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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
JUNE 20, 2000