



**PLEASANT TOWNSHIP
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Hardin County
P. O. Box 153
Kenton, Ohio 43326

To the Board of Trustees:

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

March 5, 2001

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$21,135	\$89,768	\$110,903
Licenses, Permits, and Fees	755		755
Intergovernmental	65,599	75,045	140,644
Earnings on Investments	1,857	2,078	3,935
Other Revenue	479		479
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	89,825	166,890	256,715
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
General Government	78,524		78,524
Public Safety	511	35,748	36,260
Public Works	12,599	80,044	92,644
Health	11,427	42,255	53,682
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	103,061	158,048	261,109
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(13,236)	8,843	(4,394)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts(Disbursements):			
Transfers-In		1,845	1,845
Transfers-Out	(1,845)		(1,845)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts(Disbursements)	(1,845)	1,845	0
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	133,040	268,145	401,185
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$117,959</u>	<u>\$278,832</u>	<u>\$396,791</u>

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

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

Operating Cash Receipts:	
Interest	\$23
Operating Cash Disbursements:	
Supplies and Materials	<u>125</u>
Operating Cash Receipts (Under) Operating Cash Disbursements	(102)
Fund Cash Balance, January 1	<u>2,158</u>
Fund Cash Balance, December 31	<u><u>\$2,158</u></u>

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

**PLEASANT TOWNSHIP
HARDIN 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>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$19,523	\$83,130		\$102,653
Licenses, Permits, and Fees	985			985
Intergovernmental	59,087	74,674	\$62,635	196,396
Earnings on Investments	3,343	2,314		5,657
Other Revenue	1,598			1,598
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	84,536	160,118	62,635	307,289
Cash Disbursements:				
Current:				
General Government	76,101			76,101
Public Safety	9,788	30,836		40,624
Public Works	101,698	41,510		143,208
Health	7,819	40,009		47,828
Capital Outlay			62,635	62,635
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	195,406	112,355	62,635	370,396
Total Receipts Over(Under) Disbursements	(110,870)	47,763	0	(63,107)
Fund Cash Balances, January 1	243,910	220,382	0	464,292
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$133,040</u>	<u>\$268,145</u>	<u>\$0</u>	<u>\$401,185</u>

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

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

Operating Cash Receipts:	
Interest	\$124
Operating Cash Disbursements	<u>0</u>
Operating Cash Receipts over Operating Cash Disbursements	124
Fund Cash Balance, January 1	<u>2,034</u>
Fund Cash Balance, December 31	<u><u>\$2,158</u></u>

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

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Hardin County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road maintenance, cemetery maintenance, park operations, 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 and passbook savings accounts 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:

1. 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.

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:

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

Fire Levy Fund - This fund receives property tax levy money for providing fire protection.

Grove Cemetery Levy Fund - This fund receives tax levy money which is used to manage the Grove Cemetery.

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following Capital Project Fund:

Issue II Fund - This fund received money from the state for the resurfacing of the Township roads.

4. Fiduciary Fund (Nonexpendable Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following significant nonexpendable trust fund:

CMB Trust Fund- The amount donated is maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

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 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.

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
HARDIN COUNTY**

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

	2000	1999
Demand deposits	<u>\$396,791</u>	<u>\$401,185</u>
Certificate of deposit	<u>\$2,000</u>	<u>\$2,000</u>
Passbook savings account	<u>\$56</u>	<u>\$158</u>
Total investments	<u>\$2,056</u>	<u>\$2,158</u>
Total deposits and investments	<u>\$398,847</u>	<u>\$403,343</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or Federal Savings Loan Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,815	\$89,825	\$10
Special Revenue	166,136	168,735	2,599
Fiduciary	<u>143</u>	<u>23</u>	<u>(120)</u>
Total	<u>\$256,094</u>	<u>\$258,583</u>	<u>\$2,489</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$182,670	\$104,906	\$77,764
Special Revenue	425,503	158,048	267,455
Fiduciary	<u>125</u>	<u>125</u>	<u>0</u>
Total	<u>\$608,298</u>	<u>\$263,079</u>	<u>\$345,219</u>

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$86,367	\$84,536	(\$1,831)
Special Revenue	160,541	160,118	(423)
Capital Projects	0	62,635	62,635
Fiduciary	113	124	11
Total	<u>\$247,021</u>	<u>\$307,413</u>	<u>\$60,392</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$296,290	\$195,406	\$100,884
Special Revenue	374,940	112,355	262,585
Capital Projects	0	62,635	(62,635)
Fiduciary	113	0	113
Total	<u>\$671,343</u>	<u>\$370,396</u>	<u>\$300,947</u>

Ohio Rev. Code Section 5705.36 allows subdivisions to request increased amended certificates of estimated resources. Also, Ohio Rev. Code Section 5705.41 (B) states money is not to be expended unless appropriated. The significant variances shown above for the Capital Projects Fund were for Issue II money received during 1999. This Issue II money was paid on behalf of the Township which means that the Township did not actually receive and disburse cash. Since this did not pose a potential loss of revenue or the improper expenditure of money no budgetary citation was issued.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions.

Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**PLEASANT TOWNSHIP
HARDIN COUNTY**

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

5. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer pension 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 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries during the period January 1, 1999 through June 30, 2000. During the period of July 1, 2000 through December 31, 2000 there was a temporary reduction which reduced the employer rate to 8.13%. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

Pleasant Township
Hardin County
P. O. Box 153
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of Pleasant Township, Hardin County (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 5, 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 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 certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 5, 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.

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

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

Jim Petro
Auditor of State

March 5, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PLEASANT TOWNSHIP

HARDIN 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
MAY 3, 2001**