



Dave Yost • Auditor of State



PLEASANT TOWNSHIP  
FRANKLIN COUNTY

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# Dave Yost • Auditor of State

Pleasant Township  
Franklin County  
5373 Norton Road  
Grove City, OH 43123

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.

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**Dave Yost**  
Auditor of State

August 6, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Pleasant Township  
Franklin County  
5373 Norton Road  
Grove City, OH 43123

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2011 and 2010. 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. 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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 of Pleasant Township, Franklin County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2010 Pleasant Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2012, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 6, 2012

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 95,543	\$ 1,774,284	\$ -	\$ -	\$ 1,869,827
Charges for Services	-	117,214	-	-	117,214
License, Permits and Fees	-	3,132	-	-	3,132
Intergovernmental	481,661	417,591	-	-	899,252
Special Assessments	-	23,527	-	-	23,527
Earnings on Investments	1	-	-	102	103
Miscellaneous	582	24,819	-	-	25,401
	<u>577,787</u>	<u>2,360,567</u>	<u>-</u>	<u>102</u>	<u>2,938,456</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	208,981	-	-	-	208,981
Public Safety	-	1,757,278	-	-	1,757,278
Public Works	-	328,453	-	-	328,453
Health	31,978	15,747	-	-	47,725
Supplies and Materials	-	70,041	-	-	70,041
Capital Outlay	118,356	179,529	-	-	297,885
Contract Services	-	38,326	-	-	38,326
Other	-	36,152	-	-	36,152
	<u>359,315</u>	<u>2,425,526</u>	<u>-</u>	<u>-</u>	<u>2,784,841</u>
Total Receipts Over/(Under) Disbursements	<u>218,472</u>	<u>(64,959)</u>	<u>-</u>	<u>102</u>	<u>153,615</u>
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In	-	10,000	150,000	-	160,000
Transfers-Out	(160,000)	-	-	-	(160,000)
Advances-In	10,000	-	-	-	10,000
Advances-Out	(10,000)	-	-	-	(10,000)
Other Financing Sources	1,297	-	-	-	1,297
	<u>(158,703)</u>	<u>10,000</u>	<u>150,000</u>	<u>-</u>	<u>1,297</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	59,769	(54,959)	150,000	102	154,912
Fund Cash Balances, January 1	<u>535,012</u>	<u>626,557</u>	<u>18,939</u>	<u>2,330</u>	<u>1,182,838</u>
Nonspendable	-	-	-	1,350	1,350
Restricted	-	571,598	-	1,082	572,680
Committed	-	-	168,939	-	168,939
Unassigned	594,781	-	-	-	594,781
	<u>594,781</u>	<u>571,598</u>	<u>168,939</u>	<u>2,432</u>	<u>1,337,750</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 594,781</u></b>	<b><u>\$ 571,598</u></b>	<b><u>\$ 168,939</u></b>	<b><u>\$ 2,432</u></b>	<b><u>\$ 1,337,750</u></b>

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

PLEASANT TOWNSHIP  
FRANKLIN COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 88,725	\$ 1,844,593	\$ -	\$ -	\$ 1,933,318
License, Permits and Fees	-	3,230	-	-	3,230
Intergovernmental	410,586	414,024	-	-	824,610
Special Assessments	-	22,278	-	-	22,278
Earnings on Investments	398	80	7	-	485
Miscellaneous	4,216	43,056	-	-	47,272
<b>Total Cash Receipts</b>	<b>503,925</b>	<b>2,327,261</b>	<b>7</b>	<b>-</b>	<b>2,831,193</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	259,033	-	-	-	259,033
Public Safety	-	1,571,396	-	-	1,571,396
Public Works	-	213,928	-	-	213,928
Health	31,732	13,219	-	-	44,951
Supplies and Materials	-	66,544	-	-	66,544
Capital Outlay	218,291	227,918	-	-	446,209
Contract Services	-	37,134	-	-	37,134
Other	-	68,141	-	-	68,141
<b>Total Cash Disbursements</b>	<b>509,056</b>	<b>2,198,280</b>	<b>-</b>	<b>-</b>	<b>2,707,336</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(5,131)</b>	<b>128,981</b>	<b>7</b>	<b>-</b>	<b>123,857</b>
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In	-	10,000	-	-	10,000
Transfers-Out	(10,000)	-	-	-	(10,000)
Advances-In	50,000	50,000	-	-	100,000
Advances-Out	(50,000)	(50,000)	-	-	(100,000)
Other Financing Sources	3,151	550	-	-	3,701
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(6,849)</b>	<b>10,550</b>	<b>-</b>	<b>-</b>	<b>3,701</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(11,980)</b>	<b>139,531</b>	<b>7</b>	<b>-</b>	<b>127,558</b>
<b>Fund Cash Balances, January 1</b>	<b>546,992</b>	<b>487,026</b>	<b>18,932</b>	<b>2,330</b>	<b>1,055,280</b>
Nonspendable	-	-	-	1,350	1,350
Restricted	-	626,557	-	980	627,537
Committed	-	-	18,939	-	18,939
Unassigned	535,012	-	-	-	535,012
<b>Fund Cash Balances, December 31</b>	<b>\$ 535,012</b>	<b>\$ 626,557</b>	<b>\$ 18,939</b>	<b>\$ 2,330</b>	<b>\$ 1,182,838</b>

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

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**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, Franklin 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, 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. 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.

The Township values certificates of deposit 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 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 capital projects funds) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Fire District Fund - This fund receives property tax money and other intergovernmental receipts for maintaining and operating the Township's fire department.

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Fund**

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant capital project fund:

Capital Equipment Fund – The Township receives interest revenue and transfers from the General Fund for the purchase of capital equipment for the Township.

**4. Permanent Fund**

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following permanent fund:

Cemetery Bequest Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**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 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 2011 and 2010 budgetary activity appears in Note 4.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. 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  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Change in Accounting Principle**

The Township implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for 2011 and 2010. The implementation of this statement did not result in a change in fund balance presentation on the Township's financial statements.

**3. 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:

	2011	2010
Demand deposits	\$1,335,319	\$1,180,508
Certificate of Deposit	\$2,431	\$2,330
Total deposits	1,337,750	1,182,838

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

**4. Budgetary Activity**

Budgetary activity for the years ending 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$866,617	\$579,084	(\$287,533)
Special Revenue	3,280,719	2,370,567	(910,152)
Capital Projects	18,939	150,000	131,061
Permanent	0	102	102
Total	\$4,166,275	\$3,099,753	(\$1,066,522)

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. Budgetary Activity (Continued)**

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$866,617	\$519,315	\$347,302
Special Revenue	3,122,889	2,443,040	679,849
Capital Projects	18,939	0	18,939
Permanent	0	0	0
Total	<u>\$4,008,445</u>	<u>\$2,962,355</u>	<u>\$1,046,090</u>

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,142,561	\$507,076	(\$635,485)
Special Revenue	3,078,677	2,337,811	(740,866)
Capital Projects	19,532	7	(19,525)
Permanent	0	0	0
Total	<u>\$4,240,771</u>	<u>\$2,844,894</u>	<u>(\$1,395,877)</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,247,967	\$519,056	\$728,911
Special Revenue	3,200,719	2,198,280	1,002,439
Capital Projects	19,532	0	19,532
Permanent	0	0	0
Total	<u>\$4,535,123</u>	<u>\$2,782,561</u>	<u>\$1,752,562</u>

**5. 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.

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. Tangible personal property tax is being phased out – the assessment percentage for all property including inventory will be reduced to zero for 2011.

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

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**6. Capital Lease**

Capital lease outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OshKosh Capital	195,548	4.6%

In 2006, the Township entered into a capital lease for the purchase of a new fire truck for the Fire Department. The total amount of the loan was \$374,535. The lease is being repaid in annual installments of \$47,800 over ten years at an interest rate of 4.6%. The lease will be paid from the Fire Fund.

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

<u>Year Ending December 31</u>	<u>OshKosh Capital Lease</u>
2012	\$47,800
2013	47,800
2014	47,800
2015	47,800
2016	47,800
<b>Total</b>	<b><u>\$239,000</u></b>

**7. Retirement Systems**

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2011 and 2010, 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, 2011.

**8. Risk Management**

The Township is exposed to various risks or 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.

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**8. Risk Management (Continued)**

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, 2010, 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, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010 and 2009, the Township's share of these unpaid claims collectible in future years is approximately \$2,220,000 and \$1,480,000, respectively.

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>2011</u>	<u>2010</u>	<u>2009</u>
18,799	17,914	16,640

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.

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# Dave Yost • 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  
Franklin County  
5373 Norton Road  
Grove City, Ohio 43123

To the Board of Trustees:

We have audited the financial statements of Pleasant Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 6, 2012, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". 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.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 6, 2012.

We intend this report solely for the information and use of management, the audit committee, and others within the Township. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

August 6, 2012

**PLEASANT TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Cafeteria Plan, FFR	No	Partially Corrected; re-issued in Management Letter
2009-002	ORC 5705.36 Actual Revenue Deficiency in 5 funds for 2009 and 3 funds for 2008	Yes	
2009-003	Financial Reporting relating to adjustments and SUD's issued	No	Partially Corrected; re-issued in Management Letter

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# Dave Yost • Auditor of State

**PLEASANT TOWNSHIP**

**FRANKLIN 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 28, 2012**