



**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



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, 2001 and 2000. 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 *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 reserve for encumbrances of Pleasant Township as of December 31, 2001 and 2000, 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 29, 2002 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 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.

JIM PETRO
Auditor of State

March 29, 20002

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**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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$40,859	\$626,204	\$186,524	\$853,587
Intergovernmental	367,477	139,569	23,138	530,184
Licenses, Permits, and Fees	12,831	6,538		19,369
Earnings on Investments	41,222	3,665	3,820	48,707
Other Revenue	7,073	17,483		24,556
	<u>469,462</u>	<u>793,459</u>	<u>213,482</u>	<u>1,476,403</u>
Cash Disbursements:				
Current:				
General Government	73,719	9,728		83,447
Public Safety		291,370	74,261	365,631
Public Works	60,562	272,441		333,003
Health	26,703			26,703
Debt Service:				
Redemption of Principal		16,920	0	16,920
Interest and Fiscal Charges		883		883
Capital Outlay	418	106,577	25,358	132,353
	<u>161,402</u>	<u>697,919</u>	<u>99,619</u>	<u>958,940</u>
Total Receipts Over/(Under) Disbursements	<u>308,060</u>	<u>95,540</u>	<u>113,863</u>	<u>517,463</u>
Other Financing Receipts and (Disbursements):				
Transfers-In		0	332,000	332,000
Transfers-Out	(203,500)	(128,500)		(332,000)
Other Sources		112,751		112,751
	<u>(203,500)</u>	<u>(15,749)</u>	<u>332,000</u>	<u>112,751</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	104,560	79,791	445,863	630,214
Fund Cash Balances, January 1	<u>217,091</u>	<u>437,863</u>	<u>220,000</u>	<u>874,954</u>
Fund Cash Balances, December 31	<u>\$321,651</u>	<u>\$517,654</u>	<u>\$665,863</u>	<u>\$1,505,168</u>
Reserve for Encumbrances, December 31	<u>\$149</u>	<u>\$1,267</u>	<u>\$186,714</u>	<u>\$188,130</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, 2000**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$36,373	\$463,052	\$0	\$499,425
Intergovernmental	209,055	127,757		336,812
Licenses, Permits, and Fees	12,159	8,086		20,245
Earnings on Investments	44,005	5,067		49,072
Other Revenue	6,586	16,678		23,264
	<u>308,178</u>	<u>620,640</u>	<u>0</u>	<u>928,818</u>
Cash Disbursements:				
Current:				
General Government	84,189	10,441		94,630
Public Safety		189,720		189,720
Public Works	450	274,608		275,058
Health	27,552			27,552
Debt Service:				
Redemption of Principal		19,000		19,000
Interest and Fiscal Charges		1,872		1,872
Capital Outlay	85,948	51,360		137,308
	<u>198,139</u>	<u>547,001</u>	<u>0</u>	<u>745,140</u>
Total Receipts Over/(Under) Disbursements	<u>110,039</u>	<u>73,639</u>	<u>0</u>	<u>183,678</u>
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets		2,424		2,424
Transfers-In		1,000	120,000	121,000
Transfers-Out	(101,000)	(20,000)		(121,000)
	<u>(101,000)</u>	<u>(16,576)</u>	<u>120,000</u>	<u>2,424</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,039	57,063	120,000	186,102
Fund Cash Balances, January 1	<u>208,052</u>	<u>380,800</u>	<u>100,000</u>	<u>688,852</u>
Fund Cash Balances, December 31	<u>\$217,091</u>	<u>\$437,863</u>	<u>\$220,000</u>	<u>\$874,954</u>
Reserve for Encumbrances, December 31	<u>\$358</u>	<u>\$0</u>	<u>\$0</u>	<u>\$358</u>

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

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 – 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Fairfield 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 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

Investments are included in fund cash balances. 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.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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:

Road and Bridge Fund - This fund receives property tax money to construct, maintain and repair Township roads and bridges.

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 – 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Operations Fund - This fund receives property tax money to provide fire and emergency medical services.

3. Capital Projects 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 projects funds:

Miscellaneous Capital Projects Fund - The General Fund transfers money into this fund to accumulate resources for a variety of capital projects.

Fire Apparatus Fund – The Fire Operations Fund transfers money into this fund to accumulate resources for fire equipment.

Fire Station Levy – This fund receives property tax money for constructing a new fire station.

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.

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.

A summary of 2000 and 2001 budgetary activity appears in Note 3.

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 – 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investment 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:

	2001	2000
Demand deposits	\$29,719	\$52,767
Certificates of deposit	243,022	0
Total deposits	272,741	52,767
STAR Ohio	1,232,427	822,187
Total investments	1,232,427	822,187
Total deposits and investments	\$1,505,168	\$874,954

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$179,063	\$469,462	\$290,399
Special Revenue	695,200	906,210	211,010
Capital Projects	540,000	545,482	5,482
Total	\$1,414,263	\$1,921,154	\$506,891

**PLEASANT TOWNSHIP
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 – 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$438,740	\$365,501	\$73,239
Special Revenue	906,395	827,686	78,709
Capital Projects	398,714	286,333	112,381
Total	<u>\$1,743,849</u>	<u>\$1,479,520</u>	<u>\$264,329</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$204,063	\$308,178	\$104,115
Special Revenue	588,380	624,064	35,684
Capital Projects	50,000	120,000	70,000
Total	<u>\$842,443</u>	<u>\$1,052,242</u>	<u>\$209,799</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$324,774	\$299,497	\$25,277
Special Revenue	607,115	567,001	40,114
Capital Projects	0	0	0
Total	<u>\$931,889</u>	<u>\$866,498</u>	<u>\$65,391</u>

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 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
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 – 2000
(Continued)**

5. DEBT

The Township did not have any debt outstanding at December 31, 2001. The Township paid a general obligation note in full during 2001.

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2001 and 2000, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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

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, 2001 and 2000, and have issued our report thereon dated March 29, 2002. 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 *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 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 29, 2002.

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

This report is intended solely 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.

JIM PETRO
Auditor of State

March 29, 2002



STATE OF OHIO
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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
MAY 9, 2002**