



**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Franklin County
5373 Norton Road
Grove City, Ohio 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, 2001 and December 31, 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 of the Township as of December 31, 2001 and December 31, 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 April 25, 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 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.

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JIM PETRO
Auditor of State

April 25, 2002

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**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, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$43,658	\$922,486	\$0	\$966,144
Special Assessments	0	21,199	0	21,199
Intergovernmental	355,792	187,979	0	543,771
Fines, Licenses, and Permits	0	3,600	0	3,600
Earnings on Investments	49,098	5,864	200	55,162
Other Revenue	17,595	13,329	0	30,924
Total Cash Receipts	466,143	1,154,457	200	1,620,800
Cash Disbursements:				
Current:				
General Government	364,562	0	0	364,562
Public Safety	221,271	892,965	0	1,114,236
Public Works	0	182,619	0	182,619
Health	24,284	12,884	0	37,168
Miscellaneous	0	22,252	0	22,252
Capital Outlay	0	25,330	0	25,330
Contract Services	0	16,967	0	16,967
Supplies and Materials	127,288	31,058	0	158,346
Total Cash Disbursements	737,405	1,184,075	0	1,921,480
Total Receipts Over/(Under) Disbursements	(271,262)	(29,618)	200	(300,680)
Other Financing Receipts and (Disbursements):				
Other Financing Sources	17,116	2,100	0	19,216
Total Other Financing Receipts/(Disbursements)	17,116	2,100	0	19,216
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(254,146)	(27,518)	200	(281,464)
Fund Cash Balances, January 1	765,515	354,005	3,293	1,122,813
Fund Cash Balances, December 31	\$511,369	\$326,487	\$3,493	\$841,349

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

PLEASANT TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - NON-EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$50
Total Operating Cash Receipts	<u>50</u>
Operating Cash Disbursements:	
Contractual Services	0
Supplies and Materials	0
Capital Outlay	<u>0</u>
Total Operating Cash Disbursements	<u>0</u>
Operating Income/(Loss)	<u>50</u>
Net Receipts Over/(Under) Disbursements	50
Fund Cash Balances, January 1	<u>2,366</u>
Fund Cash Balances, December 31	<u><u>\$2,416</u></u>

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, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$42,826	\$903,683	\$0	\$946,509
Special Assessments	0	16,634	0	16,634
Intergovernmental	360,092	185,737	0	545,829
Fines, Licenses, and Permits	0	6,314	0	6,314
Earnings on Investments	57,632	9,700	413	67,745
Other Revenue	29,961	4,827	0	34,788
Total Cash Receipts	490,511	1,126,895	413	1,617,819
Cash Disbursements:				
Current:				
General Government	192,534	0	0	192,534
Public Safety	189,999	808,255	0	998,254
Public Works	0	181,485	0	181,485
Health	21,568	14,660	0	36,228
Miscellaneous	0	21,451	0	21,451
Capital Outlay	90,726	119,327	0	210,053
Contract Services	15,000	18,208	0	33,208
Supplies and Materials	0	30,056	0	30,056
Total Cash Disbursements	509,827	1,193,442	0	1,703,269
Total Receipts Over/(Under) Disbursements	(19,316)	(66,547)	413	(85,450)
Other Financing Receipts and (Disbursements):				
Other Financing Sources	0	2,400	0	2,400
Total Other Financing Receipts/(Disbursements)	0	2,400	0	2,400
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(19,316)	(64,147)	413	(83,050)
Fund Cash Balances, January 1	784,831	418,152	2,880	1,205,863
Fund Cash Balances, December 31	\$765,515	\$354,005	\$3,293	\$1,122,813

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

PLEASANT TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - NON_EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$81
Total Operating Cash Receipts	<u>81</u>
Operating Cash Disbursements:	
Contractual Services	0
Supplies and Materials	0
Capital Outlay	<u>0</u>
Total Operating Cash Disbursements	<u>0</u>
Operating Income/(Loss)	<u>81</u>
Net Receipts Over/(Under) Disbursements	81
Fund Cash Balances, January 1	<u>2,285</u>
Fund Cash Balances, December 31	<u><u>\$2,366</u></u>

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

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Franklin 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, 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. 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 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.

Certificates of deposit and Repurchase Agreements are valued at cost. Money market mutual funds are reported 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:

MVL Permissive Tax - This fund receives motor vehicle license fees to construct, maintain and repair Township roads.

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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 to pay for constructing, maintaining and repairing Township roads.

Fire Fund – This fund receives property tax monies for the provision of fire protection services to Township residents.

Lighting Assessment Fund – This fund receives a special assessment of tax monies for the Darbydale lighting project.

3. Capital Projects 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:

Capital Equipment – This fund receives interest revenue for the purchase of capital equipment for the Township.

4. Fiduciary Fund (Non-Expendable Trust Fund)

This fund is used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary fund:

Cemetery Bequest Fund – This fund is a non-expendable trust fund which receives interest monies on the corpus of the trust. This interest is then used for the maintenance and repair of the cemetery grounds.

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. 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.

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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 canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 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. 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	\$ 459	\$ 456
Certificates of Deposit	1,000	1,001,000
Total deposits	1,459	1,001,456
Repurchase Agreement	24,925	123,723
Money Market Account	817,381	-
Total investments	842,306	123,723
Total Deposits and Investments	\$ 843,765	\$ 1,125,179

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

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Investments in the money market mutual fund account 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 December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$433,868	\$483,259	\$49,391
Special Revenue	1,298,919	1,156,557	(142,362)
Capital Projects	400	200	(200)
Non-Expendable Trust	95	50	(45)
Total	\$1,733,282	\$1,640,066	(\$93,216)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$1,167,805	\$737,405	\$430,400
Special Revenue	1,485,673	1,184,075	301,598
Capital Projects	3,423	0	3,423
Non-Expendable Trust	2,436	0	2,436
Total	\$2,659,337	\$1,921,480	\$737,857

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$364,577	\$490,511	\$125,934
Special Revenue	1,246,955	1,129,295	(117,660)
Capital Projects	115	413	298
Non-Expendable Trust	60	81	21
Total	\$1,611,707	\$1,620,300	\$8,593

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$1,149,347	\$509,827	\$639,520
Special Revenue	1,607,996	1,193,442	414,554
Capital Projects	2,995	0	2,995
Non-Expendable Trust	2,345	0	2,345
Total	\$2,762,683	\$1,703,269	\$1,059,414

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.

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, 2001 was as follows:

	Principal	Interest Rate
Ohio Public Works	\$1,218	0%

The Ohio Public Works loan relates to a road resurfacing project in 1993. The Ohio Public Works approved up to \$110,000 in loans at the time of this project, however, only \$4,058 was borrowed. The loan is being repaid in semiannual installments of \$202.90 over 10 years.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	List type of debt
2002	\$406
2003	406
2004	406
Total	\$1,218

**PLEASANT TOWNSHIP
FRANKLIN COUNTY**

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

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 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000. The Township has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL 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 accompanying financial statements Pleasant Township, Franklin County, Ohio, ("the Township") as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated April 25, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 25, 2002.

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 other matters 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 April 25, 2002.

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

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

JIM PETRO
Auditor of State

April 25, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JUNE 11, 2002**