



**PLEASANT TOWNSHIP
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

**PLEASANT TOWNSHIP
MARION COUNTY**

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MARION COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Pleasant Township
Marion County
1035 Owens Road West
Marion, Ohio 43303

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Township, Marion County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, and Fire & EMS Funds thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2009, 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.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 12, 2009

PLEASANT TOWNSHIP
MARION COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 822,573.85</u>
<i>Total Assets</i>	<u><u>\$ 822,573.85</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$ 111,225.51
Unrestricted	<u>711,348.34</u>
<i>Total Net Assets</i>	<u><u>\$ 822,573.85</u></u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 176,075.58	\$ 5,309.70	\$ 34,017.57	\$ -	\$ (136,748.31)
Public Safety	84,596.22	-	-	2,050.00	(82,546.22)
Public Works	149,527.53	-	92,142.90	-	(57,384.63)
Health	22,663.11	3,700.00	-	-	(18,963.11)
Conservation-Recreation	39,065.67	-	-	-	(39,065.67)
Other	-	2,580.80	-	-	2,580.80
Capital Outlay	5,000.00	-	-	-	(5,000.00)
Debt Service:					
Principal	57,229.13	-	-	-	(57,229.13)
Interest	8,770.87	-	-	-	(8,770.87)
Total Governmental Activities	\$ 542,928.11	\$ 11,590.50	\$ 126,160.47	\$ 2,050.00	\$ (403,127.14)
General Receipts					
Property Taxes Levied for:					
General Operating					\$ 89,333.93
Fire Protection Services					173,592.96
Road & Bridge Maintenance					17,702.26
Grants and Entitlements not Restricted to Specific Programs					150,841.16
Sale of Fixed Assets					50.00
Cable Franchise Fees					16,986.15
Earnings on Investments					34,583.70
Miscellaneous					11,535.03
Total General Receipts					494,625.19
Change in Net Assets					91,498.05
Net Assets Beginning of Year					731,075.80
Net Assets End of Year					\$ 822,573.85

See accompanying notes to the basic financial statements

PLEASANT TOWNSHIP
MARION COUNTY

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	GENERAL	GASOLINE TAX	FIRE AND EMS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 711,348.34	\$ 19,673.64	\$ 58,706.06	\$ 32,845.81	\$ 822,573.85
<i>Total Assets</i>	<u>\$ 711,348.34</u>	<u>\$ 19,673.64</u>	<u>\$ 58,706.06</u>	<u>\$ 32,845.81</u>	<u>\$ 822,573.85</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 711,348.34	\$ -	\$ -	\$ -	\$ 711,348.34
Special Revenue Funds	-	19,673.64	58,706.06	32,845.81	111,225.51
<i>Total Fund Balances</i>	<u>\$ 711,348.34</u>	<u>\$ 19,673.64</u>	<u>\$ 58,706.06</u>	<u>\$ 32,845.81</u>	<u>\$ 822,573.85</u>

See accompanying notes to the basic financial statements

PLEASANT TOWNSHIP
MARION COUNTY

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	GENERAL	GASOLINE TAX	FIRE AND EMS	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts					
Property and Other Local Taxes	\$ 89,333.93	\$ -	\$ 173,592.96	\$ 17,702.26	\$ 280,629.15
Licenses, Permits and Fees	19,566.95	-	-	6,609.70	26,176.65
Intergovernmental	161,563.67	83,787.21	23,200.56	10,500.19	279,051.63
Earnings on Investments	33,176.26	1,301.25	-	106.19	34,583.70
Miscellaneous	7,204.61	-	2,021.00	4,709.42	13,935.03
<i>Total Receipts</i>	<u>310,845.42</u>	<u>85,088.46</u>	<u>198,814.52</u>	<u>39,627.76</u>	<u>634,376.16</u>
Disbursements					
Current:					
General Government	165,535.58	-	-	10,540.00	176,075.58
Public Safety	3,399.85	-	81,196.37	-	84,596.22
Public Works	-	114,289.00	-	35,238.53	149,527.53
Health	20,601.92	-	-	2,061.19	22,663.11
Conservation-Recreation	39,065.67	-	-	-	39,065.67
Capital Outlay	-	-	-	5,000.00	5,000.00
Debt Service:					
Principal Retirement	-	-	57,229.13	-	57,229.13
Interest and Fiscal Charges	-	-	8,770.87	-	8,770.87
<i>Total Disbursements</i>	<u>228,603.02</u>	<u>114,289.00</u>	<u>147,196.37</u>	<u>52,839.72</u>	<u>542,928.11</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>82,242.40</u>	<u>(29,200.54)</u>	<u>51,618.15</u>	<u>(13,211.96)</u>	<u>91,448.05</u>
Other Financing Sources					
Sale of Fixed Assets	-	-	50.00	-	50.00
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>50.00</u>	<u>-</u>	<u>50.00</u>
<i>Net Change in Fund Balances</i>	<u>82,242.40</u>	<u>(29,200.54)</u>	<u>51,668.15</u>	<u>(13,211.96)</u>	<u>91,498.05</u>
Fund Balances Beginning of Year	<u>629,105.94</u>	<u>48,874.18</u>	<u>7,037.91</u>	<u>46,057.77</u>	<u>731,075.80</u>
<i>Fund Balances End of Year</i>	<u>\$711,348.34</u>	<u>\$ 19,673.64</u>	<u>\$ 58,706.06</u>	<u>\$ 32,845.81</u>	<u>\$ 822,573.85</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 83,676.00	\$ 83,676.00	\$ 89,333.93	\$ 5,657.93
Licenses, Permits and Fees	16,001.00	16,001.00	19,566.95	3,565.95
Intergovernmental	51,087.00	51,087.00	161,563.67	110,476.67
Special Assessments	1.00	1.00	-	(1.00)
Earnings on Investments	18,000.00	18,000.00	33,176.26	15,176.26
Miscellaneous	4,596.00	4,596.00	7,204.61	2,608.61
<i>Total Receipts</i>	<u>173,361.00</u>	<u>173,361.00</u>	<u>310,845.42</u>	<u>137,484.42</u>
Disbursements				
Current:				
General Government	611,978.94	611,978.94	165,535.58	446,443.36
Public Safety	77,000.00	77,000.00	3,399.85	73,600.15
Health	30,950.00	30,950.00	20,601.92	10,348.08
Conservation-Recreation	56,250.00	56,250.00	39,065.67	17,184.33
Capital Outlay	11,000.00	11,000.00	-	11,000.00
<i>Total Disbursements</i>	<u>787,178.94</u>	<u>787,178.94</u>	<u>228,603.02</u>	<u>558,575.92</u>
<i>Net Change in Fund Balance</i>	(613,817.94)	(613,817.94)	82,242.40	696,060.34
Fund Balance Beginning of Year	<u>629,105.94</u>	<u>629,105.94</u>	<u>629,105.94</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 15,288.00</u>	<u>\$ 15,288.00</u>	<u>\$ 711,348.34</u>	<u>\$ 696,060.34</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 88,250.00	\$ 88,250.00	\$ 83,787.21	\$ (4,462.79)
Earnings on Investments	900.00	900.00	1,301.25	401.25
<i>Total Receipts</i>	<u>89,150.00</u>	<u>89,150.00</u>	<u>85,088.46</u>	<u>(4,061.54)</u>
Disbursements				
Current:				
Public Works	<u>138,024.18</u>	<u>138,024.18</u>	<u>114,289.00</u>	<u>23,735.18</u>
<i>Total Disbursements</i>	<u>138,024.18</u>	<u>138,024.18</u>	<u>114,289.00</u>	<u>23,735.18</u>
<i>Net Change in Fund Balance</i>	(48,874.18)	(48,874.18)	(29,200.54)	19,673.64
Fund Balance Beginning of Year	<u>48,874.18</u>	<u>48,874.18</u>	<u>48,874.18</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,673.64</u>	<u>\$ 19,673.64</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 165,434.00	\$ 165,434.00	\$ 173,592.96	\$ 8,158.96
Intergovernmental	17,000.00	17,000.00	23,200.56	6,200.56
Miscellaneous	-	-	2,021.00	2,021.00
<i>Total Receipts</i>	<u>182,434.00</u>	<u>182,434.00</u>	<u>198,814.52</u>	<u>16,380.52</u>
Disbursements				
Current:				
Public Safety	108,050.00	108,050.00	81,196.37	26,853.63
Capital Outlay	15,421.91	15,421.91	-	15,421.91
Debt Service:				
Principal Retirement	57,229.13	57,229.13	57,229.13	-
Interest and Fiscal Charges	8,770.87	8,770.87	8,770.87	-
<i>Total Disbursements</i>	<u>189,471.91</u>	<u>189,471.91</u>	<u>147,196.37</u>	<u>42,275.54</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,037.91)</u>	<u>(7,037.91)</u>	<u>51,618.15</u>	<u>58,656.06</u>
Other Financing Sources				
Sale of Fixed Assets	-	-	50.00	50.00
<i>Total Other Financing Sources</i>	<u>-</u>	<u>-</u>	<u>50.00</u>	<u>50.00</u>
<i>Net Change in Fund Balance</i>	<u>(7,037.91)</u>	<u>(7,037.91)</u>	<u>51,668.15</u>	<u>58,706.06</u>
Fund Balance Beginning of Year	<u>7,037.91</u>	<u>7,037.91</u>	<u>7,037.91</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,706.06</u>	<u>\$ 58,706.06</u>

See accompanying notes to the basic financial statements

PLEASANT TOWNSHIP
MARION COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 731,075.80
<i>Total Assets</i>	<u>\$ 731,075.80</u>
Net Assets	
Restricted for:	
Other Purposes	\$ 101,969.86
Unrestricted	<u>629,105.94</u>
<i>Total Net Assets</i>	<u>\$ 731,075.80</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 183,414.88	\$ 12,836.46	\$ 32,993.80	\$ -	\$ (137,584.62)
Public Safety	121,687.60	-	-	3,500.00	(118,187.60)
Public Works	94,292.60	-	94,657.56	-	364.96
Health	7,670.44	5,200.00	-	-	(2,470.44)
Conservation-Recreation	19,028.51	-	-	-	(19,028.51)
Capital Outlay	331,700.05	-	-	23,688.00	(308,012.05)
<i>Total Governmental Activities</i>	<u>\$ 757,794.08</u>	<u>\$ 18,036.46</u>	<u>\$ 127,651.36</u>	<u>\$ 27,188.00</u>	<u>\$ (584,918.26)</u>
General Receipts					
Property Taxes Levied for:					
General Operating					\$ 84,875.37
Fire Protection Services					167,047.42
Road & Bridge Maintenance					16,894.60
Grants and Entitlements not Restricted to Specific Programs					89,900.89
Sale of Fixed Assets					12,000.00
Cable Franchise Fees					15,534.52
Earnings on Investments					30,346.67
Miscellaneous					66,980.48
<i>Total General Receipts</i>					<u>483,579.95</u>
<i>Change in Net Assets</i>					(101,338.31)
Net Assets Beginning of Year					<u>832,414.11</u>
<i>Net Assets End of Year</i>					<u>\$ 731,075.80</u>

See accompanying notes to the basic financial statements

PLEASANT TOWNSHIP
MARION COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	GENERAL	GASOLINE TAX	FIRE AND EMS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 629,105.94	\$ 48,874.18	\$ 7,037.91	\$ 46,057.77	\$ 731,075.80
<i>Total Assets</i>	<u>\$ 629,105.94</u>	<u>\$ 48,874.18</u>	<u>\$ 7,037.91</u>	<u>\$ 46,057.77</u>	<u>\$ 731,075.80</u>
Fund Balances					
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	\$ 629,105.94	\$ -	\$ -	\$ -	\$ 629,105.94
Special Revenue Funds	-	48,874.18	7,037.91	46,057.77	101,969.86
<i>Total Fund Balances</i>	<u>\$ 629,105.94</u>	<u>\$ 48,874.18</u>	<u>\$ 7,037.91</u>	<u>\$ 46,057.77</u>	<u>\$ 731,075.80</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	GENERAL	GASOLINE TAX	FIRE AND EMS	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts					
Property and Other Local Taxes	\$ 84,875.37	\$ -	\$ 167,047.42	\$ 16,894.60	\$ 268,817.39
Licenses, Permits and Fees	15,534.52	-	-	14,536.46	30,070.98
Intergovernmental	100,196.94	86,201.37	23,865.58	34,203.41	244,467.30
Special Assessments	272.95	-	-	-	272.95
Earnings on Investments	28,458.32	1,403.53	-	484.82	30,346.67
Miscellaneous	26,263.21	25,000.00	10,369.34	6,837.93	68,470.48
<i>Total Receipts</i>	<u>255,601.31</u>	<u>112,604.90</u>	<u>201,282.34</u>	<u>72,957.22</u>	<u>642,445.77</u>
Disbursements					
Current:					
General Government	170,246.54	-	-	13,168.34	183,414.88
Public Safety	3,134.06	-	118,553.54	-	121,687.60
Public Works	-	45,504.63	-	48,787.97	94,292.60
Health	7,081.41	-	-	589.03	7,670.44
Conservation-Recreation	19,028.51	-	-	-	19,028.51
Capital Outlay	19,895.98	51,077.70	108,174.80	152,551.57	331,700.05
<i>Total Disbursements</i>	<u>219,386.50</u>	<u>96,582.33</u>	<u>226,728.34</u>	<u>215,096.91</u>	<u>757,794.08</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>36,214.81</u>	<u>16,022.57</u>	<u>(25,446.00)</u>	<u>(142,139.69)</u>	<u>(115,348.31)</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	-	-	-	12,000.00	12,000.00
Advances In	70,000.00	-	70,000.00	-	140,000.00
Advances Out	(70,000.00)	-	(70,000.00)	-	(140,000.00)
Other Financing Sources	2,010.00	-	-	-	2,010.00
<i>Total Other Financing Sources (Uses)</i>	<u>2,010.00</u>	<u>-</u>	<u>-</u>	<u>12,000.00</u>	<u>14,010.00</u>
<i>Net Change in Fund Balances</i>	38,224.81	16,022.57	(25,446.00)	(130,139.69)	(101,338.31)
Fund Balances Beginning of Year	590,881.13	32,851.61	32,483.91	176,197.46	832,414.11
<i>Fund Balances End of Year</i>	<u>\$ 629,105.94</u>	<u>\$ 48,874.18</u>	<u>\$ 7,037.91</u>	<u>\$ 46,057.77</u>	<u>\$ 731,075.80</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 81,993.00	\$ 81,993.00	\$ 84,875.37	\$ 2,882.37
Licenses, Permits and Fees	1.00	1.00	15,534.52	15,533.52
Intergovernmental	48,037.00	48,037.00	100,196.94	52,159.94
Special Assessments	1.00	1.00	272.95	271.95
Earnings on Investments	10,000.00	10,000.00	28,458.32	18,458.32
Miscellaneous	11,500.00	11,500.00	26,263.21	14,763.21
<i>Total Receipts</i>	<u>151,532.00</u>	<u>151,532.00</u>	<u>255,601.31</u>	<u>104,069.31</u>
Disbursements				
Current:				
General Government	428,464.13	394,464.13	170,246.54	224,217.59
Public Safety	46,000.00	46,000.00	3,134.06	42,865.94
Health	21,700.00	21,700.00	7,081.41	14,618.59
Conservation-Recreation	45,250.00	45,250.00	19,028.51	26,221.49
Capital Outlay	36,000.00	70,000.00	19,895.98	50,104.02
<i>Total Disbursements</i>	<u>577,414.13</u>	<u>577,414.13</u>	<u>219,386.50</u>	<u>358,027.63</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(425,882.13)</u>	<u>(425,882.13)</u>	<u>36,214.81</u>	<u>462,096.94</u>
Other Financing Sources (Uses)				
Advances In	-	-	70,000.00	70,000.00
Advances Out	(165,000.00)	(165,000.00)	(70,000.00)	95,000.00
Other Financing Sources	1.00	1.00	2,010.00	2,009.00
<i>Total Other Financing Sources (Uses)</i>	<u>(164,999.00)</u>	<u>(164,999.00)</u>	<u>2,010.00</u>	<u>167,009.00</u>
<i>Net Change in Fund Balance</i>	<u>(590,881.13)</u>	<u>(590,881.13)</u>	<u>38,224.81</u>	<u>629,105.94</u>
Fund Balance Beginning of Year	<u>590,881.13</u>	<u>590,881.13</u>	<u>590,881.13</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,105.94</u>	<u>\$ 629,105.94</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 84,480.00	\$ 84,480.00	\$ 86,201.37	\$ 1,721.37
Earnings on Investments	600.00	600.00	1,403.53	803.53
Miscellaneous	-	-	25,000.00	25,000.00
<i>Total Receipts</i>	<u>85,080.00</u>	<u>85,080.00</u>	<u>112,604.90</u>	<u>27,524.90</u>
Disbursements				
Current:				
Public Works	52,931.61	52,931.61	45,504.63	7,426.98
Capital Outlay	65,000.00	65,000.00	51,077.70	13,922.30
<i>Total Disbursements</i>	<u>117,931.61</u>	<u>117,931.61</u>	<u>96,582.33</u>	<u>21,349.28</u>
<i>Net Change in Fund Balance</i>	(32,851.61)	(32,851.61)	16,022.57	48,874.18
Fund Balance Beginning of Year	<u>32,851.61</u>	<u>32,851.61</u>	<u>32,851.61</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,874.18</u>	<u>\$ 48,874.18</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE & EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 163,633.00	\$ 166,633.00	\$ 167,047.42	\$ 414.42
Intergovernmental	15,000.00	19,700.00	23,865.58	4,165.58
Miscellaneous	-	8,908.00	10,369.34	1,461.34
<i>Total Receipts</i>	<u>178,633.00</u>	<u>195,241.00</u>	<u>201,282.34</u>	<u>6,041.34</u>
Disbursements				
Current:				
Public Safety	112,616.91	119,550.11	118,553.54	996.57
Capital Outlay	98,500.00	108,174.80	108,174.80	-
<i>Total Disbursements</i>	<u>211,116.91</u>	<u>227,724.91</u>	<u>226,728.34</u>	<u>996.57</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(32,483.91)</u>	<u>(32,483.91)</u>	<u>(25,446.00)</u>	<u>7,037.91</u>
Other Financing Sources (Uses)				
Advances In	-	70,000.00	70,000.00	-
Advances Out	-	(70,000.00)	(70,000.00)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(32,483.91)</u>	<u>(32,483.91)</u>	<u>(25,446.00)</u>	<u>7,037.91</u>
Fund Balance Beginning of Year	<u>32,483.91</u>	<u>32,483.91</u>	<u>32,483.91</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,037.91</u>	<u>\$ 7,037.91</u>

See accompanying notes to the basic financial statements

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 1 – REPORTING ENTITY

Pleasant Township, Marion County, Ohio (the Township), is a body corporate and politic established in 1824 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 also has an elected Township Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, and fire protection. The Township contracts with Stofcheck Ambulance Service, Inc. for ambulance service. Police protection is provided by the Marion County Sheriff's Department.

B. Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

The statement of net assets presents the cash balance of governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are all governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental funds:

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Gasoline Tax Fund - This fund receives gasoline tax receipts and their use as they pertain to the Township's roads.

Fire & EMS Fund – This fund receives property tax money provided by a levy voted by the people for fire and EMS services and monies to purchase equipment.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 negative receipts, respectively.

During 2007 and 2006, the Township invested in STAR Ohio.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments (continued)

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2007 and 2006 were \$33,176 and \$28,458, respectively.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. The items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing township roads and bridges, cemetery maintenance, and fire protection and emergency medical services. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, and Fire & EMS Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. Since encumbrances outstanding at year-end are cancelled and re-appropriated in the succeeding year, there is essentially no difference between cash and budget basis reporting.

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, none of the Township's bank balance of \$77,621 was exposed to custodial credit risk, while at December 31, 2006, \$71,507 of the Township's bank balance of \$171,507 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

At December 31, 2007 and 2006, the Township had \$756,570 and \$599,753, respectively, invested in STAR Ohio. STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township has no policy dealing with credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 5 – PROPERTY TAXES (continued)

2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2007, was \$3.20 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$88,317,280
Public Utility Property	5,100,850
Tangible Personal Property	1,149,220
Total Assessed Values	<u>\$94,567,350</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of 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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 6 – RISK MANAGEMENT (continued)

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$12,920. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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>	
2005	\$13,309
2006	\$15,458
2007	\$13,745

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 6 – RISK MANAGEMENT (continued)

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary 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 or was reported prior to the withdrawal.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The members of all three plans were required to contribute 9.5 percent in 2007 and 9 percent in 2006 of their annual covered salary. The Township's contribution rate for pension benefits for 2007 and 2006 were 13.85 and 13.70 percent respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$10,287, \$9,416, and \$8,286 respectively. The full amount has been contributed for 2007, 2006, and 2005.

NOTE 8 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*.

**PLEASANT TOWNSHIP
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 8 – POSTEMPLOYMENT BENEFITS (continued)

Ohio Public Employees Retirement System (continued)

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5 percent of covered payroll was the portion that was used to fund health care from January 1 through June 30, 2007 and 6 percent of covered payroll was the portion that was used to fund health care from July 1 through December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 0.50 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$10,287. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

NOTE 9 – CAPITAL LEASE

On May 1, 2006, the Township entered into a lease/purchase agreement with Ohio Township Association Leasing, LLC for the purpose of obtaining a fire truck. The lease amount was \$140,000 at an interest rate of 4.56% for a term of three years. The initial payment was due May 15, 2007 with subsequent payments on May 15th and November 15th of each year and a final maturity date of May 15, 2009. Capital lease obligations will be paid out of the Township's Fire & EMS Fund.

An amortization of the capital lease, including interest payments of \$4,027 is as follows:

Year	Amount
2008	\$61,119
2009	25,679
Total	<u><u>\$86,798</u></u>

NOTE 10 – COMPLIANCE

In fiscal years 2007 and 2006, twenty-eight percent of transactions tested were not certified by the Fiscal Officer prior to the commitment being incurred, nor were they certified using a then and now certificate.



Mary Taylor, CPA

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
Marion County
1035 Owens Road West
Marion, Ohio 43303

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Township, Marion County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated February 12, 2009, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 expressing our opinions on the financial statements, but not to opine 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2007-001 and 2007-003 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe findings number 2007-001 and 2007-003 are also material weaknesses.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated February 12, 2009.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-002 and 2007-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated February 12, 2009.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 12, 2009

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2007-001
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**Significant Deficiency/Material Weakness
Financial Reporting**

Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following unadjusted differences were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2007 financial statements:

1. Reclassification of \$10,389 of homestead/rollbacks in the General Fund from Program Revenue to General Receipts in Governmental Activities.
2. Reclassification of \$21,151 of program revenue related to the Fire & EMS Fund from General Government to Public Safety in Governmental Activities.

The following audit adjustments and reclassifications were made to the December 31, 2006 financial statements and accounting records:

1. Reclassifications of 15,535 of cable franchise fees from miscellaneous receipts to licenses, permits, and fees in the General Fund and from miscellaneous receipts to cable franchise fees in Governmental Activities.
2. Reclassification of \$34,000 of original appropriations from Capital Outlay to General Government in the General Fund to match those on the Annual Appropriation Measure.
3. Adjustments of \$86,608 to decrease original estimated receipts in the Fire & EMS Fund to match those on the original Certificate of Estimated Resources.
4. Adjustment of \$70,000 to decrease original appropriations in the Fire & EMS Fund to match those on the Annual Appropriation Measure.
5. Adjustments totaling \$38,976 to move NatureWorks and LWCF grant activity from the General Fund to RFI and an adjustment of \$23,688 to move NatureWorks grant receipts from General Receipts to Program Revenue in Governmental Activities.

The following unadjusted differences were inconsequential to the overall financial statements of the Township and were not posted to the December 31, 2006 financial statements:

1. Reclassification of \$10,136 of homestead/rollbacks in the General Fund from Program Revenue to General Receipts in Governmental Activities.
2. Reclassification of \$25,000 of grant receipts in the Gasoline Tax Fund from General Receipts to Program Revenue.
3. Reclassification of \$20,366 of program revenue related to the Fire & EMS Fund from General Government to Public Safety in Governmental Activities.

The adjustments and reclassifications identified above should be reviewed by the Fiscal Officer and Board of Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Township should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Township's activity.

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2007-002
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**Material Noncompliance
Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in section 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate** – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. **Blanket Certificate** – Fiscal Officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2007-002 (Continued)
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**Material Noncompliance (Continued)
Certification of Expenditures (Continued)**

Twenty-eight percent of transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township certify all purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Finding Number	2007-003
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**Material Noncompliance/Significant Deficiency/Material Weakness
Establishment of Special Revenue Funds**

In 2006, the Township received and/or expended Land & Water Conservation Fund Local Assistance (LWCF) and NatureWorks Local Assistance grant monies from the State Land & Water Conservation Fund Local Assistance Grant Program and NatureWorks Local Assistance Grant Program for the purposes outlined in the project agreements between the Township and the Ohio Department of Natural Resources. Section A(5) of both the LWCF and NatureWorks project agreements state that the local or public agency shall establish a separate special account for the funds for the acquisition and/or development of the property. The Procedural Guides for the LWCF and NatureWorks grants further state in Section II(F)(2) and Section III(D)(2), respectively, that the participant shall establish separate accounts and support documents for each project and that each account shall be identified by the project number assigned to it.

Furthermore, Ohio Rev. Code Section 5705.09(F) states that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

The Township did not establish funds separate from their general operating fund to account for the revenues and disbursements related to the LWCF and NatureWorks grant monies. The activity from the LWCF grant monies in 2006 included \$15,288 in disbursements. The Township received reimbursement for these disbursements in 2009. The activity from the NatureWorks grant monies in 2006 included \$23,688 in receipts and \$23,688 in disbursements.

**PLEASANT TOWNSHIP
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2007-003 (Continued)
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**Material Noncompliance/Significant Deficiency/Material Weakness (Continued)
Establishment of Special Revenue Funds (Continued)**

We recommend the Township establish a separate fund to account for grant revenue and expenditure activity, segregated from the general operating financial activity of the Township. By establishing this fund, the Township can gain assurance that revenues derived from grant monies restricted for specific purposes are segregated from general operating funds, and that the expenditures being paid for with these restricted funds are earmarked for that purpose. The accounting records and financial statements have been adjusted to reflect a special revenue fund.

Officials' Response

We did not receive a response from Officials to the findings reported above.



Mary Taylor, CPA
Auditor of State

PLEASANT TOWNSHIP

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 12, 2009**