



**PLEASANT TOWNSHIP
HENRY COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO
AUDITOR OF STATE
STATE OF OHIO**

**PLEASANT TOWNSHIP
HENRY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Henry County
327 Railway Avenue
P.O. Box 463
Holgate, Ohio 43527-0463

To the Board of Trustees:

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

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Pleasant Township
Henry County
Report of Independent Accountants
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This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 7, 2001

**PLEASANT TOWNSHIP
HENRY 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)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$21,038	\$106,613	\$127,651
Intergovernmental	34,505	78,683	113,188
Charges for Services		13,585	13,585
Licenses, Permits, and Fees		1,175	1,175
Earnings on Investments	7,097	3,065	10,162
Other Revenue	20	5,170	5,190
 Total Cash Receipts	 62,660	 208,291	 270,951
Cash Disbursements:			
Current:			
General Government	52,343	693	53,036
Public Safety		25,581	25,581
Public Works		77,167	77,167
Health		1,080	1,080
Capital Outlay	23,667	54,256	77,923
 Total Cash Disbursements	 76,010	 158,777	 234,787
 Total Cash Receipts Over/(Under) Cash Disbursements	 (13,350)	 49,514	 36,164
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		5,500	5,500
Transfers-In		1,500	1,500
Transfers-Out	(1,500)		(1,500)
 Total Other Financing Receipts/(Disbursements)	 (1,500)	 7,000	 5,500
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (14,850)	 56,514	 41,664
 Fund Cash Balances, January 1	 110,126	 334,474	 444,600
 Fund Cash Balances, December 31	 \$95,276	 \$390,988	 \$486,264

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

**PLEASANT TOWNSHIP
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$18,387	\$104,171	\$122,558
Intergovernmental	76,359	79,465	155,824
Charges for Services		1,600	1,600
Licenses, Permits, and Fees		600	600
Earnings on Investments	8,025	2,504	10,529
Other Revenue	1,169	21,095	22,264
 Total Cash Receipts	 103,940	 209,435	 313,375
Cash Disbursements:			
Current:			
General Government	52,664	418	53,082
Public Safety		21,759	21,759
Public Works		121,542	121,542
Health		1,019	1,019
Capital Outlay	28,995	35,850	64,845
 Total Cash Disbursements	 81,659	 180,588	 262,247
 Total Cash Receipts Over Cash Disbursements	 22,281	 28,847	 51,128
Other Financing Receipts/(Disbursements):			
Transfers-In		1,500	1,500
Transfers-Out	(1,500)		(1,500)
 Total Other Financing Receipts/(Disbursements)	 (1,500)	 1,500	 _____
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	 20,781	 30,347	 51,128
 Fund Cash Balances, January 1	 89,345	 304,127	 393,472
 Fund Cash Balances, December 31	 \$110,126	 \$334,474	 \$444,600

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

**PLEASANT TOWNSHIP
HENRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Henry County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Fire District Fund - This fund receives property tax money for the maintenance of the Township's fire department.

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

**PLEASANT TOWNSHIP
HENRY COUNTY**

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

D. 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 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.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

E. 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.

2. EQUITY IN POOLED CASH

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2000	1999
Demand deposits	<u>\$486,264</u>	<u>\$444,600</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**PLEASANT TOWNSHIP
HENRY COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$36,023	\$62,660	\$26,637
Special Revenue	<u>183,308</u>	<u>215,291</u>	<u>31,983</u>
Total	<u><u>\$219,331</u></u>	<u><u>\$277,951</u></u>	<u><u>\$58,620</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$146,148	\$77,510	\$68,638
Special Revenue	<u>517,626</u>	<u>158,777</u>	<u>358,849</u>
Total	<u><u>\$663,774</u></u>	<u><u>\$236,287</u></u>	<u><u>\$427,487</u></u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$91,543	\$103,940	\$12,397
Special Revenue	<u>176,526</u>	<u>210,935</u>	<u>34,409</u>
Total	<u><u>\$268,069</u></u>	<u><u>\$314,875</u></u>	<u><u>\$46,806</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$179,970	\$83,159	\$96,811
Special Revenue	<u>470,900</u>	<u>180,588</u>	<u>290,312</u>
Total	<u><u>\$650,870</u></u>	<u><u>\$263,747</u></u>	<u><u>\$387,123</u></u>

**PLEASANT TOWNSHIP
HENRY COUNTY**

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

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. RETIREMENT SYSTEMS

Township employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% for 1999 and 10.84% for 2000, of participants' gross salaries. The Township had a \$1,369 contribution still outstanding to PERS at December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Employers Liability;
- Inland Marine; and
- Crime.



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

Pleasant Township
Henry County
327 Railway Avenue
P.O. Box 463
Holgate, Ohio 43527-0463

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Henry County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 7, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

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

Jim Petro
Auditor of State

May 7, 2001



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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**PLEASANT TOWNSHIP
HENRY 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 5, 2001**