



**PLEASANT TOWNSHIP
SENECA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

PLEASANT TOWNSHIP
SENECA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Pleasant Township
Seneca County
850 Township Road 15
P. O. Box 71
Old Fort, Ohio 44861-0071

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Seneca 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 audit.

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 April 19, 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 audit.

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

Jim Petro
Auditor of State

April 19, 2001

**PLEASANT TOWNSHIP
SENECA 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	\$15,910	\$77,373		\$93,283
Intergovernmental	52,523	75,637	\$20,000	148,160
Special Assessments		5,146		5,146
Licenses, Permits, and Fees	960			960
Earnings on Investments	7,935	636		8,571
Other Revenue	8,197			8,197
	<u>85,525</u>	<u>158,792</u>	<u>20,000</u>	<u>264,317</u>
Total Cash Receipts				
	<u>85,525</u>	<u>158,792</u>	<u>20,000</u>	<u>264,317</u>
Cash Disbursements:				
Current:				
General Government	73,682			73,682
Public Safety		27,390		27,390
Public Works	1,589	113,333		114,922
Health	8,306			8,306
Capital Outlay		23,763	20,000	43,763
	<u>83,577</u>	<u>164,486</u>	<u>20,000</u>	<u>268,063</u>
Total Cash Disbursements				
	<u>83,577</u>	<u>164,486</u>	<u>20,000</u>	<u>268,063</u>
Total Receipts Over/(Under) Disbursements	<u>1,948</u>	<u>(5,694)</u>		<u>(3,746)</u>
Other Financing Receipts:				
Other Sources	120			120
	<u>120</u>			<u>120</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	2,068	(5,694)		(3,626)
Fund Cash Balances, January 1	119,692	44,322	746	164,760
Fund Cash Balances, December 31	<u>\$121,760</u>	<u>\$38,628</u>	<u>\$746</u>	<u>\$161,134</u>

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

**PLEASANT TOWNSHIP
SENECA 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$17,658	\$91,542		\$109,200
Intergovernmental	88,131	73,825	\$16,826	178,782
Special Assessments		5,108		5,108
Licenses, Permits, and Fees	1,075			1,075
Earnings on Investments	4,987	592		5,579
Other Revenue	7,970			7,970
	<u>119,821</u>	<u>171,067</u>	<u>16,826</u>	<u>307,714</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	66,139			66,139
Public Safety		29,360		29,360
Public Works	1,554	92,349		93,903
Health	6,784			6,784
Capital Outlay		41,851	16,826	58,677
	<u>74,477</u>	<u>163,560</u>	<u>16,826</u>	<u>254,863</u>
Total Cash Disbursements				
	<u>45,344</u>	<u>7,507</u>		<u>52,851</u>
Total Receipts Over Disbursements				
	<u>1,196</u>			<u>1,196</u>
Other Financing Receipts:				
Other Sources				1,196
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	46,540	7,507		54,047
Fund Cash Balances, January 1	<u>73,152</u>	<u>36,815</u>	<u>746</u>	<u>110,713</u>
Fund Cash Balances, December 31	<u><u>\$119,692</u></u>	<u><u>\$44,322</u></u>	<u><u>\$746</u></u>	<u><u>\$164,760</u></u>

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

**PLEASANT TOWNSHIP
SENECA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pleasant Township, Seneca 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, and street lighting. The Township contracts with the Old Fort Volunteer Fire Department to provide fire services and ambulance 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

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash that is 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.

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

**PLEASANT TOWNSHIP
SENECA COUNTY**

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

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio for maintaining and repairing Township roads.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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.

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. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH

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

**PLEASANT TOWNSHIP
SENECA COUNTY**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$15,134	\$48,760
Certificates of deposit	<u>146,000</u>	<u>116,000</u>
Total deposits	<u><u>\$161,134</u></u>	<u><u>\$164,760</u></u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$65,699	\$85,645	\$19,946
Special Revenue	154,050	158,792	4,742
Capital Projects		<u>20,000</u>	<u>20,000</u>
Total	<u><u>\$219,749</u></u>	<u><u>\$264,437</u></u>	<u><u>\$44,688</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$185,391	\$83,577	\$101,814
Special Revenue	199,119	164,486	34,633
Capital Projects		<u>20,000</u>	<u>(20,000)</u>
Total	<u><u>\$384,510</u></u>	<u><u>\$268,063</u></u>	<u><u>\$116,447</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$50,175	\$121,017	\$70,842
Special Revenue	153,750	171,067	17,317
Capital Projects		<u>16,826</u>	<u>16,826</u>
Total	<u><u>\$203,925</u></u>	<u><u>\$308,910</u></u>	<u><u>\$104,985</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$123,327	\$74,477	\$48,850
Special Revenue	191,311	163,560	27,751
Capital Projects		<u>16,826</u>	<u>(16,826)</u>
Total	<u><u>\$314,638</u></u>	<u><u>\$254,863</u></u>	<u><u>\$59,775</u></u>

**PLEASANT TOWNSHIP
SENECA COUNTY**

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

The Township had expenditures exceeding appropriations in the Capital Projects Fund. This is a violation of ORC § 5705.41(B)

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 payments, 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. RETIREMENT SYSTEMS

The Township's 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 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% and 13.55% of participants' gross salaries for 2000 and 1999 respectively. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

The Township also provides health insurance and dental coverage to full-time employees through a private carrier.



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

Pleasant Township
Seneca County
850 Township Road 15
P. O. Box 71
Old Fort, Ohio 44861-0071

To the Board of Trustees:

We have audited the accompanying financial statements of Pleasant Township, Seneca County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 19, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-40574-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated April 19, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 19, 2001.

Pleasant Township
Seneca 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 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

April 19, 2001

**PLEASANT TOWNSHIP
SENECA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-40574-001

Ohio Revised Code § 5705.41(B) states that no subdivision or taxing authority shall make any expenditure of money unless it has been appropriated. The Capital Projects Fund had expenditures exceeding appropriations in the amount of \$20,000 and \$16,826 as of December 31, 2000 and 1999 respectively. In order to properly account for Issue II funding, it is recommended that the Clerk account for this project in the manner provided for by MAS Bulletin #89-17 and Auditor of State Bulletin 2000-08. Also, the Clerk should not approve purchase orders or payments exceeding appropriations. If sufficient resources exist, the Clerk should request the Board to amend appropriations (and estimated resources, if needed).

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**PLEASANT TOWNSHIP
SENECA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-40574-001	ORC § 5705.41(D) failure to encumber funds.	No	Significant progress has been made. This section of revised code has been cited in the management letter.



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OFFICE OF THE AUDITOR

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PLEASANT TOWNSHIP

SENECA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2001**