



OHIO AUDITOR OF STATE  
**KEITH FABER**





**PLEASANT TOWNSHIP  
CLARK COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Pleasant Township  
Clark County  
P.O. Box 39  
Catawba, Ohio 43010

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of Pleasant Township, Clark County, Ohio (the Township).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 23, 2021

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**Pleasant Township**

Clark County, Ohio

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$25,386	\$368,441			\$393,827
Charges for Services		61,216			61,216
Licenses, Permits and Fees	22,874	31,895			54,769
Intergovernmental	17,966	205,573			223,539
Earnings on Investments	5,178	2,076		\$8,260	15,514
Miscellaneous	70,723	44,255			114,978
<i>Total Cash Receipts</i>	<u>142,127</u>	<u>713,456</u>		<u>8,260</u>	<u>863,843</u>
<b>Cash Disbursements</b>					
Current:					
General Government	87,661	79,943			167,604
Public Safety		310,672			310,672
Public Works		139,811			139,811
Health		42,086		4,019	46,105
Capital Outlay		37	\$224,481		224,518
Debt Service:					
Principal Retirement		41,488			41,488
Interest and Fiscal Charges		2,659			2,659
<i>Total Cash Disbursements</i>	<u>87,661</u>	<u>616,696</u>	<u>224,481</u>	<u>4,019</u>	<u>932,857</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,466</u>	<u>96,760</u>	<u>(224,481)</u>	<u>4,241</u>	<u>(69,014)</u>
<b>Other Financing Receipts</b>					
Other Financing Sources	256				256
Sale of Bonds			224,481		224,481
<i>Total Other Financing Receipts</i>	<u>256</u>		<u>224,481</u>		<u>224,737</u>
<i>Net Change in Fund Cash Balances</i>	54,722	96,760		4,241	155,723
<i>Fund Cash Balances, January 1</i>	<u>182,832</u>	<u>648,770</u>		<u>83,503</u>	<u>915,105</u>
<i>Fund Cash Balances, December 31</i>	<u>\$237,554</u>	<u>\$745,530</u>		<u>\$87,744</u>	<u>\$1,070,828</u>

See accompanying notes to the basic financial statement

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**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Pleasant Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool, the Ohio Township Association Risk Management Authority (OTARMA). Note 7 to the financial statement provides additional information for this entity.

The Township’s management believes this financial statement presents all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township’s financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Fund:

***Fire District Fund*** This fund receives property taxes and donations for the fire department.

***Capital Projects Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following Capital Projects Fund:

***EMS Vehicle Bond Fund*** The Township issued bonds for the purchase of a new EMS squad.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

***Permanent Funds*** This fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following Permanent Fund:

***McClenen Cemetery Fund*** This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of Asbury Cemetery.

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values common stock at fair value when donated.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 3 – Compliance**

Contrary to Ohio law, the Township Trustees did not pass an appropriation measure for the year ended December 31, 2020 and as a result, budgetary expenditures exceeded appropriation authority in all funds.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$142,383	\$142,383
Special Revenue		713,456	713,456
Capital Projects		224,481	224,481
Permanent		8,260	8,260
Total	\$0	\$1,088,580	\$1,088,580

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$92,380	(\$92,380)
Special Revenue		621,344	(621,344)
Capital Projects		224,481	(224,481)
Permanent		4,019	(4,019)
Total	\$0	\$942,224	(\$942,224)

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$620,828
Certificates of deposit	375,000
Total deposits	995,828
McClenen Investment Trust Account	75,000
<i>Total deposits and investments</i>	\$1,070,828

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Various stocks were willed to the Township and only interest can be used for the maintenance and upkeep of the Asbury Cemetery. A financial institution's trust department holds the Township's equity securities in book-entry form on behalf of the Township.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 7 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

***Social Security***

The Township’s Fire and Emergency Medical Services employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.



**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 10 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
OPWC Loan CT50M	\$174,000	0%
Fire Equipment Bonds, Series 2015	67,975	2.59%
EMS Vehicle Bonds, Series 2020	224,481	2.43%
Total	\$466,456	

The Township obtained a loan from the Ohio Public Works Commission (OPWC) in 2010 for a township road project in the amount of \$348,000. The loan matures January 2030. The Township makes semi-annual payments of \$8,700.

The Township issued Fire Equipment Bonds in 2015 to finance the purchase of a Tanker truck for the Fire Department. The Bond will be paid in full within two years (2022).

The Township issued EMS Vehicle Bonds in 2020 to finance the purchase of a Squad for the Fire Department. The bond will be paid in full within 7 years (2027).

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OPWC CT50M	Fire Equipment Bonds, Series 2015	EMS Vehicle Bonds, Series 2020
2021	\$17,400	\$35,447	\$34,739
2022	17,400	35,447	34,739
2023	17,400		34,739
2024	17,400		34,739
2025	17,400		34,739
2026-2030	87,000		69,477
Total	\$174,000	\$70,894	\$243,172

**Note 11 – Related Party Transactions**

A Township Trustee works for his father’s company (Wiseman and Sons, Inc.) which provide emergency services to dig graves. Wiseman and Sons, Inc. was paid \$4,250 in 2020 for these services.

A Township Trustee owns Nu Lawn Service, which provides weed control applications for both cemeteries in the township. Nu Lawn Service was paid \$2,231 in 2020 for these services.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2020*  
*(Continued)*

**Note 12 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the unexpendable corpus of the permanent fund. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Corpus			\$75,000	\$75,000
Outstanding Encumbrances	\$4,719	\$4,648		9,367
<b>Total</b>	<b>\$4,719</b>	<b>\$4,648</b>	<b>\$75,000</b>	<b>\$84,367</b>

The fund balance of special revenue funds is restricted. The fund balance of the permanent fund that is not part of the nonspendable corpus is restricted. These restricted amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – Change in Accounting Principle**

For 2020, the Township has made a change to their cash basis reporting model by removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

**Note 14 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The Township’s investment portfolio and the investments of the pension and other employee benefit plan in which the Township participates fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Pleasant Township**  
*Clark County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2019*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$25,134	\$368,751		\$393,885
Charges for Services		104,236		104,236
Licenses, Permits and Fees	24,719	42,094		66,813
Intergovernmental	17,745	185,844		203,589
Earnings on Investments	7,496	2,301	\$8,486	18,283
Miscellaneous	32,791	15,613		48,404
<i>Total Cash Receipts</i>	<u>107,885</u>	<u>718,839</u>	<u>8,486</u>	<u>835,210</u>
<b>Cash Disbursements</b>				
Current:				
General Government	89,418	78,651		168,069
Public Safety		261,656		261,656
Public Works		216,267		216,267
Health		42,460	2,359	44,819
Human Services			1,235	1,235
Capital Outlay		2,500		2,500
Debt Service:				
Principal Retirement		49,356		49,356
Interest and Fiscal Charges		3,503		3,503
<i>Total Cash Disbursements</i>	<u>89,418</u>	<u>654,393</u>	<u>3,594</u>	<u>747,405</u>
<i>Excess of Receipts Over Disbursements</i>	<u>18,467</u>	<u>64,446</u>	<u>4,892</u>	<u>87,805</u>
<b>Other Financing Receipts/(Disbursements)</b>				
Other Financing Sources	529			529
Other Financing Uses	(6)			(6)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>523</u>			<u>523</u>
<i>Net Change in Fund Cash Balances</i>	18,990	64,446	4,892	88,328
<i>Fund Cash Balances, January 1</i>	<u>163,842</u>	<u>584,324</u>	<u>78,611</u>	<u>826,777</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable			75,000	75,000
Restricted		648,770	8,503	657,273
Unassigned	182,832			182,832
<i>Fund Cash Balances, December 31</i>	<u>\$182,832</u>	<u>\$648,770</u>	<u>\$83,503</u>	<u>\$915,105</u>

*See accompanying notes to the basic financial statement*

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**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Pleasant Township, Clark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool, the Ohio Township Association Risk Management Authority (OTARMA). Note 7 to the financial statement provides additional information for this entity.

The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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***McClenen Cemetery Fund*** This fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of Asbury Cemetery.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

***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 2019 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values common stock at fair value when donated.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Compliance**

Contrary to Ohio law, the Township Trustees did not pass an appropriation measure for the year ended December 31, 2019 and as a result, budgetary expenditures exceeded appropriation authority in all funds.

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$108,414	\$108,414
Special Revenue		718,839	718,839
Permanent		8,486	8,486
Total	\$0	\$835,739	\$835,739

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$89,424	(\$89,424)
Special Revenue		654,393	(654,393)
Permanent		3,594	(3,594)
Total	\$0	\$747,411	(\$747,411)

**Note 5 – Deposits and Investments**

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

	2019
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$465,105
Certificates of deposit	375,000
Total deposits	840,105
McClenen Investment Trust Account	75,000
<i>Total deposits and investments</i>	\$915,105

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.



**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

***Investments***

Various stocks were willed to the Township and only interest can be used for the maintenance and upkeep of the Asbury Cemetery. A financial institution's trust department holds the Township's equity securities in book-entry form on behalf of the Township.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 7 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs, if material.

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

***Social Security***

The Township’s Fire and Emergency Medical Services employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 10 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
OPWC Loan CT50M	\$182,700	0%
Fire Equipment Bonds, Series 2015	100,763	2.59%
Total	\$283,463	

The Township obtained a loan from the Ohio Public Works Commission (OPWC) in 2010 for a township road project in the amount of \$348,000. The loan matures January 2030. The Township makes semi-annual payments of \$8,700.

The Township issued Fire Equipment Bonds in 2015 to finance the purchase of a Tanker truck for the Fire Department. The Bond will be paid in full within three years (2022).

**Pleasant Township**  
*Clark County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2019*  
*(Continued)*

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OPWC Loan CT50M	Fire Equipment Bonds, Series 2015
2020	\$17,400	\$35,447
2021	17,400	35,447
2022	17,400	35,447
2023	17,400	
2024	17,400	
2025-2029	87,000	
2030	8,700	
Total	\$182,700	\$106,341

**Note 11 – Related Party Transactions**

A Township Trustee works for his father’s company (Wiseman and Sons, Inc.) which provide emergency services to dig graves. Wiseman and Sons, Inc. was paid \$4,250 in 2019.

A Township Trustee owns Nu Lawn Service, which provides weed control applications for both cemeteries in the Township. Nu Lawn Service was paid \$2,231 in 2019.

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# OHIO AUDITOR OF STATE KEITH FABER



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WestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Pleasant Township  
Clark County  
P.O. Box 39  
Catawba, Ohio 43010

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of Pleasant Township, Clark County, (the Township) and have issued our report thereon dated August 23, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. We consider findings 2020-001 through 2020-003 and described in the accompanying schedule of findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2020-004 described in the accompanying schedule of findings to be a significant deficiency.

***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 financial statement. However, opining 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 2020-001, 2020-002 and 2020-004.

***Township's Response to Findings***

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 23, 2021

PLEASANT TOWNSHIP  
CLARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

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

FINDING NUMBER 2020-001

**Noncompliance and Material Weakness – Financial Reporting**

**Ohio Rev. Code § 5705.09(F)** states 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[.]” **Ohio Rev. Code § 5705.10(D)** states, in part, “all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose[.]” **Ohio Rev. Code § 5705.10(I)** mandates that “[m]oney paid into any fund shall be used only for the purpose or which such fund is established.”

**Ohio Rev. Code § 4504.18** states, in part, “[f]or the purpose of paying the costs and expenses of enforcing and administering the tax provided for in this section; for the construction, reconstruction, improvement, maintenance, and repair of township roads, bridges, and culverts; for purchasing, erecting, and maintaining traffic signs, markers, lights, and signals; for purchasing road machinery and equipment, and planning, constructing, and maintaining suitable buildings to house such equipment; for paying any costs apportioned to the township under section 4907.47 of the Revised Code; and to supplement revenue already available for such purposes, the board of township trustees may levy an annual license tax, in addition to the tax levied by sections 4503.02, 4503.07, and 4503.18 of the Revised Code, upon the operation of motor vehicles on the public roads and highways in the unincorporated territory of the township.”

Government Accounting Standards Board (GASB) Codification 1300.108 (GASB Statement No. 54 par. 35, *Fund Balance Reporting and Governmental Fund Type Definitions*,) indicates a permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Township collected permissive motor vehicle license tax monies in 2020 and 2019. The Township did not create a Permissive Motor Vehicle License Tax Fund to receipt these monies into until February 2020 and instead posted them into the Motor Vehicle License Fund. The receipts and disbursements activity netted to \$0 in both years; therefore, no adjustments to the accounting system were needed. The permissive motor vehicle license tax fund receipts and disbursements were \$2,916 and \$32,663 in 2020 and 2019, respectively.

The Township created the Leonard Sonners Trust fund in a prior year and the activity was reclassified to the General fund in the prior audit as there was no formal trust agreement to support the permanent fund classification. The Township properly mapped the Sonners Trust fund to the General fund on the 2019 financial statement, but incorrectly reported the fund as a permanent fund for 2020; therefore, beginning balance and receipts totaling \$5,265 and \$6, respectively have been reclassified to the Township's General fund. Additionally, the Township posted \$2,992 of the McClenen Permanent fund earnings on investments to the Sonners Trust fund in 2020. This error has been adjusted on the financial statements and in the accounting system.

**FINDING NUMBER 2020-001  
(Continued)**

Furthermore, the Township issued Emergency Medical Service (EMS) vehicle bonds, in the amount of \$224,481 in 2020, to finance the purchase of a squad for the Fire Department; however, the Township posted the proceeds to the Fire and Rescue, Ambulance and EMS Services fund and posted the capital outlay disbursement to the Fire District fund, causing a negative cash fund balance of \$137,002 in the Fire District fund at the end of 2020. The financial statement and Township's accounting system were adjusted to reclassify the sale of bonds and capital outlay in a Capital Projects fund.

The above misstatements have been adjusted on the Township's financial statements and accounting records, as applicable. In addition to the items noted above, we also identified misstatements ranging from \$264 to \$75,000 which we have brought to the Township's attention. The Township's financial statement errors were due to a lack of understanding and untimely posting of transactions.

The failure to correctly classify financial activity in the accounting records and financial statements may impact the users' understanding of the financial operations, the Township's ability to make sound financial decisions or comply with budgetary law, and/or result in materially misstated reports.

The Township should have procedures in place to provide for the accurate and complete recording of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

**Officials' Response:**

The posting error was brought to the Auditor's attention when the current audit was started and they knew that an adjusting entry would be needed for this fund.

**FINDING NUMBER 2020-002**

**Noncompliance and Material Weakness – Budgetary**

**Ohio Rev. Code § 5705.36(A)(1)** states in part, "[o]n or about the first day of each fiscal year, the fiscal officer of each subdivision shall certify to the county auditor the total amount from all sources available for expenditures from each fund . . . The amount certified shall include any unencumbered balances that existed at the end of the preceding year[.]"

**Ohio Rev. Code § 5705.38(A)** states in part, "[o]n or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the official certificate of estimated resources or amendments of the certificate."

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

For the years ended December 31, 2020 and 2019, the Township did not certify to the County Auditor the total resources available for appropriation and did not pass an appropriation measure. As a result, expenditures exceeded appropriations in all funds. Additionally, as a result, the Township's budgetary footnotes were misstated. The notes were updated to reflect zero appropriation authority and estimated receipts in both years.

Furthermore, the Trustee's review of budget versus actual information is a significant internal control in monitoring performance of the Township and helps to identify unexpected fluctuations in the budget. The Township utilizes the Uniform Accounting Network (UAN), which has the capabilities of producing budget versus actual reports for individual funds. There was no evidence the Trustees reviewed budget versus actual receipts and disbursements reports from the accounting system during 2020 and 2019.



**FINDING NUMBER 2020-002  
(Continued)**

Failure to follow budgetary laws is a violation of the Ohio Revised Code and could result in overspending of resources and deficit fund balances.

The Township should implement procedures to verify all applicable budgetary laws are followed. The Township should pass an annual appropriation measure to be filed with the county auditor for certification. Additionally, the Township should properly record appropriations and estimated receipts for all funds in the accounting system to produce accurate budget versus actual reports for receipts and disbursements. Trustees should review budgetary information to assure disbursements are made in accordance with the approved budget, receipts are received in accordance with the Certificate of Estimated Resources, and overspending does not occur.

**Officials' Response:**

I didn't realize until last year that budgets needed to be certified by the county auditor after the first of year. I did reach out to Dave Crew and tried to get other years certified that were not turned in timely.

**FINDING NUMBER 2020-003**

**Material Weakness – Bank Reconciliations, Timely Posting of Transactions & Segregation of Duties**

Cash is the asset most susceptible to theft and misappropriation. Monthly reconciliations between the bank and books provide reasonable assurance all receipts and disbursements have been correctly and timely posted in the Township's Uniform Accounting Network (UAN) system and its bank accounts. Additionally, reconciliations provide an accurate accounting of the Township's financial position at month-end.

The small size of the Township's fiscal operations does not allow for an adequate segregation of duties as the Fiscal Officer performed most accounting functions for the Township, including collection and deposit of receipts and reconciliation of the bank account. It is essential for the Township Trustees to monitor financial activity closely to provide oversight and to compensate for the lack of segregation of duties.

For the years ended December 31, 2020 and 2019, reconciliations were not completed until significantly after the month being reconciled. The reconciliations for the months of July through November 2020 were not completed until February 2021, and December 2020 was not completed until March 2021. The reconciliations for the months of March through November 2019 were not completed until January 2020, and December 2019 was not completed until March 2020. The monthly bank reconciliations contained unidentified reconciling items which were later determined to be variances due to receipts and disbursements not posted to UAN, disbursements marked as cleared in UAN which had not cleared the bank, or disbursements clearing the bank which were marked as outstanding in UAN.

In addition, throughout 2020 and 2019, numerous receipts and disbursements were not timely posted to UAN, and all five of the Township's debt payments were made after the due date. Significant time delays in posting financial transactions to the accounting system can result in permanent omissions, as well as the Trustees reviewing incomplete financial reports. Late debt payments can result in penalties and fees.

Furthermore, there was no evidence the Trustees were monitoring, reviewing, or approving the monthly bank reconciliations during 2020 and 2019.

The monthly bank reconciliation is a basic control to verify the accuracy and completeness of the Township's recording of current receipts and disbursements in UAN and helps to compensate for the lack of segregation of duties. Failure to timely complete accurate monthly bank reconciliations and lack of the Trustees' review of the bank reconciliations increases the possibility the Township would not promptly detect errors or funds being altered, lost, or stolen.

**FINDING NUMBER 2020-003  
(Continued)**

The Township should implement control procedures to verify the monthly bank reconciliations are promptly performed and the financial transactions, which are reflected on the bank statements, are posted to UAN. Additionally, monthly bank reconciliations should be reviewed by the Trustees to ensure proper procedures were followed and the accounts are reconciled. The Trustees' review should be documented by their signatures/initials on the bank reconciliations and their approval of the bank reconciliations should be noted in the meeting minutes.

**Officials' Response:**

The trustees have been reviewing above items however, we will make a better effort to create a "financial section" in the meeting notes that will include all of the above items on a monthly basis.

**FINDING NUMBER 2020-004**

**Noncompliance and Significant Deficiency – Record of Employee Leave Balances**

**Article 4 of the Pleasant Township Employee Policies** governs the accrual rate for sick and vacation leave for full-time employees. Full-time employees are eligible to accrue sick leave at a rate of 1.55 hours per 80 hours worked per pay cycle, with a maximum carry-over of 40 hours. Full-time employees with employment service over 15 years are eligible to earn 160 hours of vacation per year, with a maximum carry-over of 40 hours.

In prior years, the Township did not maintain records supporting the leave balances for the one eligible employee who earned sick and vacation leave. The Fiscal Officer provided a manual spreadsheet detailing the accruals, usage, and ending balances for 2020 and 2019; however, the accuracy of the beginning balances could not be determined as no records were previously maintained.

The employee's sick leave accrual was overstated by 198.9 hours in 2020 and 2019 as 4.6 hours was credited to the employee's sick leave balance each week rather than 1.55 hours per 80 hours worked as provided by the Township's policy. The employee's vacation leave accrual was understated by 40 hours in both 2020 and 2019 as only 120 hours was credited to the employee's vacation leave balance rather than 160 hours as provided by the Township's policy. Furthermore, the employee's sick and vacation leave balances were both in excess of the maximum carry-over balance of 40 hours at the end of 2020 and 2019.

Failure to credit employee leave balances in accordance with the Township's policy could result in inaccurate leave balances and improper leave payouts.

The Fiscal Officer should implement procedures to accurately track employees' earned and used leave balances. Furthermore, the Township should consult with legal counsel and seek legal advice regarding the payout of unused vacation leave if a payout is to be made.

**Officials' Response:**

UAN isn't very user friendly when it comes to managing comp and sick time for our employee. I have a running spreadsheet that I update with every pay cycle to keep records of what time has been taken.

# Pleasant Township Trustees

of Clark County  
PO Box 39  
Catawba, OH 43010

*Dana Bumgardner*

*Steven Fry*

*Craig Wiseman*

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**DECEMBER 31, 2020 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	<b>ORC § 5705.09(F), 5705.10(D), and 4504.18 – Financial Reporting –</b> Multiple financial statement adjustments	Not Corrected	Repeated as Finding 2020-001
2018-002	<b>ORC § 5705.36(A)(1), 5705.38(A), and 5705.41(B) – Budgetary –</b> Failure to pass and submit appropriations which resulted in expenditures exceeding appropriations.	Not Corrected	We have gotten the 2019 and 2018 budgets certified and we are currently working diligently to stay compliant in this matter.  Repeated as Finding 2020-002
2018-003	<b>Bank Reconciliations, Timely Posting of Transactions &amp; Segregation of Duties –</b> Lack of timely reconciliations, timely posting of transactions, and segregation of duties.	Not Corrected	All transactions are reviewed each month and signed off on (on checks). Going forward we are going to add a financial section to the monthly minutes to record any questions or concerns related to any budget/financial items that need to be signed off on.  Repeated as Finding 2020-003
2018-004	<b>Record of Employee Leave Balances –</b> Failure to properly track leave balances	Not Corrected	A running excel spreadsheet has been created and is updated every pay cycle to record any sick or comp days that are taken.  Repeated as Finding 2020-004

# OHIO AUDITOR OF STATE KEITH FABER



**PLEASANT TOWNSHIP**

**CLARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/14/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)