



Dave Yost • Auditor of State



PLAIN TOWNSHIP  
FRANKLIN COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Plain Township  
Franklin County  
45 Second Street  
New Albany, Ohio 43054

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Franklin County, Ohio (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Franklin County, Ohio, as of December 31, 2009, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General and Fire District funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

July 15, 2011

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009 within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the basic financial statements to enhance their understanding of the Township's financial performance.

**Financial Highlights**

Key financial highlights for 2009 are as follows:

- For 2009, the total net assets of the Township increased \$942,807 or 20.29%.
- For 2009, general cash receipts accounted for \$5,866,498 or 83.50% of total governmental activities cash receipts, program specific cash receipts accounted for \$1,159,025 or 16.50% of total governmental activities.
- For 2009, the Township had \$6,082,716 in cash disbursements related to governmental activities; \$1,159,025 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$5,866,498 were adequate to provide for these programs.
- The Township's major funds are the General Fund and the Fire District Fund. The General Fund, one of the Township's major funds, had cash receipts of \$1,018,356 in 2009. The cash disbursements and other financing uses of the General Fund, totaled \$975,587 in 2009. The General Fund's fund balance increased \$42,769 from 2008 to 2009.
- The Fire District Fund, a Township major fund, had cash receipts of \$4,808,483 in 2009. The Fire District Fund had cash disbursements of \$3,875,680 in 2009. The Fire District Fund balance increased \$932,803 from 2008 to 2009.

**Using this Cash Basis Basic Financial Statements (BFS)**

This cash basis annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Township's cash basis of accounting. The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Township, presenting an aggregate view of the Township's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Township's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Township, there are two major governmental funds. The General Fund and the Fire District Fund are the Township's major funds.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

**Reporting the Township as a Whole**

***Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis***

The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2009?" These statements include only net assets using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Township's net assets and changes in those assets on a cash basis. This change in net assets is important because it tells the reader that, for the Township as a whole, the cash basis financial position of the Township has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Township's property tax base, current property tax laws in Ohio, availability of federal and State funding, facility conditions, mandated federal and State programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis, the governmental activities include the Township's programs and services, including police and fire protection, road and bridge maintenance and repair, and ambulance services. The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 13 and 14 of this report.

**Reporting the Township's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are classified as governmental or fiduciary funds.

Fund financial reports provide detailed information about the Township's major funds. The Township uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Township's most significant funds. The Township's major governmental funds are the General Fund and the Fire District Fund. The analysis of the Township's major governmental funds begins on page 10.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

***Governmental Funds***

All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Township programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the Statement of Activities - Cash Basis due to transfers between governmental funds being eliminated for reporting in the Statement of Activities - Cash Basis. The governmental fund statements can be found on pages 15 and 16 of this report.

The Township's budgetary process accounts for transactions on the budgetary basis of accounting. The difference between the budgetary basis of accounting and the cash basis of accounting is that encumbrances at year-end are recorded as a disbursement on the budgetary basis of accounting whereas on the cash basis, the disbursement is only recorded when cash is paid. The budgetary statements for the General Fund and the Fire District Fund are presented to demonstrate the Township's compliance with annually adopted budgets. The budgetary statements can be found on pages 17 and 18 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs. A private-purpose trust fund is the Township's only fiduciary fund type. The fiduciary fund financial statements can be found on pages 19 and 20 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-39 of this report.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

**Government-Wide Financial Analysis**

Recall that the Statement of Net Assets - Cash Basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net assets at December 31, 2009 and 2008.

	Net Assets	
	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 5,590,522	\$ 4,647,715
Total assets	<u>5,590,522</u>	<u>4,647,715</u>
<u>Net Assets</u>		
Restricted	4,360,075	3,460,051
Unrestricted	<u>1,230,447</u>	<u>1,187,664</u>
Total net cash assets	<u>\$ 5,590,522</u>	<u>\$ 4,647,715</u>

For 2009, net assets of the Township increased \$942,807 or 20.29%. The balance of government-wide unrestricted net cash assets of \$1,230,447 at December 31, 2009 may be used to meet the government's ongoing obligations to citizens and creditors.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

The table below shows the changes in net assets for years 2009 and 2008.

	<b>Change in Net Cash Assets</b>	
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services and sales	\$ 760,380	\$ 738,622
Operating grants and contributions	113,149	284,770
Capital grants and contributions	<u>285,496</u>	<u>720,047</u>
Total program cash receipts	<u>1,159,025</u>	<u>1,743,439</u>
General cash receipts:		
Property and other taxes	5,048,511	3,449,139
Unrestricted grants	711,715	586,277
Investment earnings	25,169	107,312
Other	<u>81,103</u>	<u>79,931</u>
Total general cash receipts	<u>5,866,498</u>	<u>4,222,659</u>
Total cash receipts	<u>7,025,523</u>	<u>5,966,098</u>
<b>Cash Disbursements:</b>		
Current:		
General government	727,956	735,210
Public safety	3,926,314	3,826,310
Public works	180,119	140,652
Health	112,537	63,651
Conservation and recreation	367,537	364,451
Miscellaneous	69,315	26,552
Capital outlay	561,063	842,241
Debt service:		
Principal retirement	70,000	70,000
Interest and fiscal charges	<u>67,875</u>	<u>69,450</u>
Total cash disbursements	<u>6,082,716</u>	<u>6,138,517</u>
Change in net assets	942,807	(172,419)
Net assets at beginning of year	<u>4,647,715</u>	<u>4,820,134</u>
Net assets at end of year	<u>\$ 5,590,522</u>	<u>\$ 4,647,715</u>

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

**Governmental Activities**

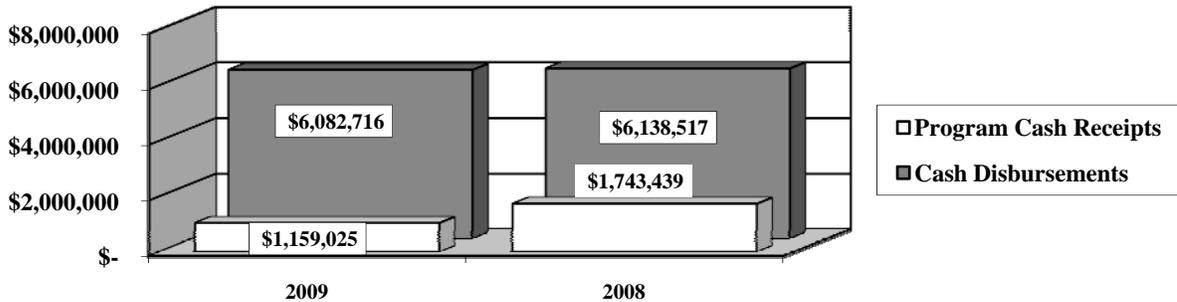
Governmental cash assets increased by \$942,807 in 2009 from 2008. This is primarily due to the 2.5 mil fire levy passed in 2008, which began collections in 2009, resulting in an increase in tax revenues for 2009.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2009, general government cash disbursements totaled \$727,956 or 11.97% of total governmental cash disbursements. General government programs were supported by \$23,496 in direct charges to users for services.

In 2009, the public safety programs accounted for \$3,926,314 or 64.55% of total governmental cash disbursements. These operations are primarily supported through taxes.

The Statement of Activities - Cash Basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

**Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements**



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

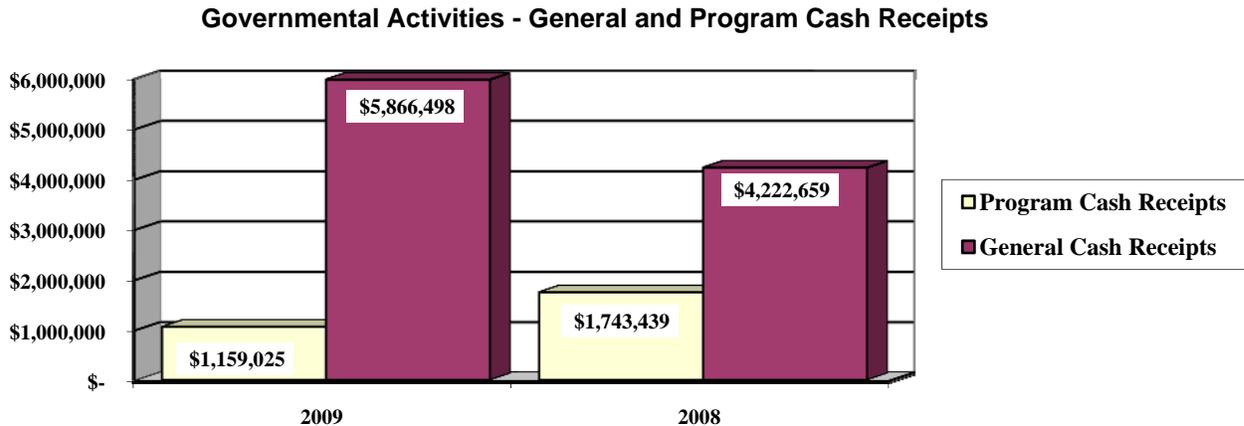
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>
Cash disbursements:				
Current:				
General government	\$ 727,956	\$ 704,460	\$ 735,210	\$ 716,630
Public safety	3,926,314	3,514,616	3,826,310	3,388,615
Public works	180,119	66,970	140,652	25,531
Health	112,537	42,637	63,651	27,627
Conservation and recreation	367,537	6,916	364,451	(14,949)
Miscellaneous	69,315	15,874	26,552	(10,020)
Capital outlay	561,063	434,343	842,241	122,194
Debt service:				
Principal retirement	70,000	70,000	70,000	70,000
Interest and fiscal charges	67,875	67,875	69,450	69,450
<b>Total</b>	<b>\$ 6,082,716</b>	<b>\$ 4,923,691</b>	<b>\$ 6,138,517</b>	<b>\$ 4,395,078</b>

The dependence upon general cash receipts for governmental activities is apparent with 80.95% and 71.60% of cash disbursements supported through taxes and other general cash receipts during 2009 and 2008, respectively.

The graph below presents the Township's governmental receipts for 2009 and 2008.



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

**Financial Analysis of the Government's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The Township's governmental funds are accounted for using the cash basis of accounting.

At December 31, 2009, the Township's governmental funds reported a combined fund balance of \$5,590,522, which is \$942,807 more than the 2008 total of \$4,647,715. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2009 and 2008 for all major and nonmajor governmental funds.

	<u>Fund Balance December 31, 2009</u>	<u>Fund Balance December 31, 2008</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General	\$ 1,228,417	\$ 1,185,648	\$ 42,769
Fire District	2,495,047	1,562,244	932,803
Nonmajor funds	<u>1,867,058</u>	<u>1,899,823</u>	<u>(32,765)</u>
Total	<u>\$ 5,590,522</u>	<u>\$ 4,647,715</u>	<u>\$ 942,807</u>

**General Fund**

The General Fund had cash receipts of \$1,018,356 in 2009. The cash disbursements and other financing uses of the General Fund totaled \$975,587 in 2008. The General Fund's balance increased \$42,769 from 2008 to 2009.

The table that follows assists in illustrating the cash receipts of the General Fund.

	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Increase/ (Decrease)</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 738,575	\$ 699,612	\$ 38,963
Intergovernmental	221,927	288,222	(66,295)
License, permits and fees	23,496	18,580	4,916
Interest	22,746	89,805	(67,059)
Other	<u>11,612</u>	<u>21,885</u>	<u>(10,273)</u>
Total	<u>\$ 1,018,356</u>	<u>\$ 1,118,104</u>	<u>\$ (99,748)</u>

Interest cash receipts decreased due to lower interest earnings on investments as a result of the state of the economy. Intergovernmental income decreased due to a decrease in revenues from the Local Government Fund, resulting from budget cuts at the State level.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

The table that follows assists in illustrating the expenditures of the General Fund.

	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Increase/ (Decrease)</u>
<b><u>Cash Disbursements</u></b>			
General government	\$ 727,956	\$ 735,210	\$ (7,254)
Public safety	50,634	82,724	(32,090)
Health	54,876	19,225	35,651
Conservation and recreation	-	2,634	(2,634)
Capital outlay	<u>4,246</u>	<u>27,866</u>	<u>(23,620)</u>
Total	<u>\$ 837,712</u>	<u>\$ 867,659</u>	<u>\$ (29,947)</u>

General government decreased due to decreased spending by the Township, while public safety decreased due to fewer repair expenses made by the fire department.

***Fire District Fund***

The Fire District Fund, a Township major fund, had cash receipts of \$4,808,483 in 2009. The Fire District Fund had cash disbursements of \$3,875,680 in 2009. The Fire District Fund balance increased \$932,803 from 2008 to 2009. This increase is due to the 2.5 mil fire levy that was passed in 2008 with first collections beginning in 2009.

***Budgeting Highlights - General Fund***

The Township's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For 2009, final budget basis receipts of \$1,005,446 were \$68,949 less than original budget receipts of \$1,074,395. Actual cash receipts of \$1,018,356 were greater than final budget basis receipts by \$12,910. The final budgetary basis disbursements and other financing uses of \$1,401,930 were \$61,700 greater than original budget disbursements and other financing uses of \$1,340,230. Actual budgetary basis disbursements and other financing uses of \$999,616 were less than final budget estimates by \$402,314.

**Capital Assets and Debt Administration**

***Capital Assets***

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$561,063 and \$842,241 during 2009 and 2008, respectively.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)**

***Debt Administration***

The Township had the following debt outstanding at December 31, 2009 or 2008:

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
Current Interest Bonds - Swimming Pool	\$ 1,605,000	\$ 1,675,000
Capital Appreciation Bonds - Swimming Pool	<u>205,682</u>	<u>197,932</u>
Total long-term obligations	<u>\$ 1,810,682</u>	<u>\$ 1,872,932</u>

**Current Financial Related Activities**

The following economic factors were taken into consideration in preparing the budget for 2010:

Plain Township is located in Franklin County in central Ohio. Unemployment in Franklin County typically is slightly below the State and national levels.

State funding is uncertain due to budgetary shortfalls at the State level. Local government revenue funds will be cut by an estimated 10% in the State budget. These funds represented 11% of the Township's General Fund revenues in 2009. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2010. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.5mil fire levy for collection in 2008 and payment in 2009 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 5 years.

These economic factors were considered in preparing the Township's budget for 2010. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact John Brandt, Fiscal Officer, Plain Township, 45 Second Street, New Albany, Ohio, 43054.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2009**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 5,590,522
Total assets . . . . .	5,590,522
<b>Net cash assets:</b>	
Restricted for:	
Public Safety . . . . .	2,495,047
Public Works. . . . .	599,383
Health and Human Services. . . . .	90,108
Street Maintenance and Construction . . . . .	497,291
Conservation and Recreation. . . . .	168,196
Capital Projects . . . . .	510,050
Unrestricted . . . . .	1,230,447
Total net assets . . . . .	\$ 5,590,522

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

		<b>Program Cash Receipts</b>			<b>Net (Cash Disbursements) Cash Receipts and Changes in Net Assets</b>
<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>Governmental activities:</b>					
Current:					
General government. . . . .	\$ 727,956	\$ 23,496	\$ -	\$ -	\$ (704,460)
Public Safety . . . . .	3,926,314	306,363	-	105,335	(3,514,616)
Public Works . . . . .	180,119	-	113,149	-	(66,970)
Health. . . . .	112,537	69,900	-	-	(42,637)
Conservation and Recreation . . . . .	367,537	360,621	-	-	(6,916)
Miscellaneous. . . . .	69,315	-	-	53,441	(15,874)
Capital Outlay . . . . .	561,063	-	-	126,720	(434,343)
Debt Service:					
Principal Retirement . . . . .	70,000	-	-	-	(70,000)
Interest and fiscal charges. . . . .	67,875	-	-	-	(67,875)
Total governmental activities . . . . .	<b>\$ 6,082,716</b>	<b>\$ 760,380</b>	<b>\$ 113,149</b>	<b>\$ 285,496</b>	<b>(4,923,691)</b>
<b>General revenues:</b>					
Property and other taxes levied for:					
General purposes . . . . .					738,575
Public Safety - Fire District . . . . .					3,973,440
Road and Bridge Improvements . . . . .					165,535
Capital Projects - Fire Equipment . . . . .					170,961
Grants and entitlements not restricted					
to specific programs . . . . .					711,715
Investment receipts . . . . .					25,169
Miscellaneous . . . . .					81,103
Total general receipts . . . . .					5,866,498
Change in net assets . . . . .					942,807
<b>Net assets at beginning of year. . . . .</b>					<b>4,647,715</b>
<b>Net assets at end of year . . . . .</b>					<b>\$ 5,590,522</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>General</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,228,417	\$ 2,495,047	\$ 1,867,058	\$ 5,590,522
Total assets . . . . .	<u>\$ 1,228,417</u>	<u>\$ 2,495,047</u>	<u>\$ 1,867,058</u>	<u>\$ 5,590,522</u>
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	24,029	9,002	91,866	124,897
Unreserved, undesignated, reported in:				
General fund . . . . .	1,204,388	-	-	1,204,388
Special revenue funds . . . . .	-	2,486,045	1,328,301	3,814,346
Permanent fund . . . . .	-	-	2,030	2,030
Capital projects funds . . . . .	<u>-</u>	<u>-</u>	<u>444,861</u>	<u>444,861</u>
Total fund balances. . . . .	<u>\$ 1,228,417</u>	<u>\$ 2,495,047</u>	<u>\$ 1,867,058</u>	<u>\$ 5,590,522</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash Receipts:</b>				
Taxes . . . . .	\$ 738,575	\$ 3,973,440	\$ 336,496	\$ 5,048,511
Intergovernmental. . . . .	221,927	470,983	415,034	1,107,944
Charges for services. . . . .	-	306,363	401,971	708,334
License, permits, and fees . . . . .	23,496	-	28,550	52,046
Interest. . . . .	22,746	-	4,839	27,585
Miscellaneous . . . . .	11,612	57,697	11,794	81,103
Total cash receipts . . . . .	<u>1,018,356</u>	<u>4,808,483</u>	<u>1,198,684</u>	<u>7,025,523</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	727,956	-	-	727,956
Public Safety . . . . .	50,634	3,875,680	-	3,926,314
Public Works. . . . .	-	-	180,119	180,119
Health . . . . .	54,876	-	57,661	112,537
Conservation and Recreation . . . . .	-	-	367,537	367,537
Miscellaneous . . . . .	-	-	69,315	69,315
Capital outlay . . . . .	4,246	-	556,817	561,063
Debt service:				
Principal retirement. . . . .	-	-	70,000	70,000
Interest and fiscal charges . . . . .	-	-	67,875	67,875
Total cash disbursements . . . . .	<u>837,712</u>	<u>3,875,680</u>	<u>1,369,324</u>	<u>6,082,716</u>
Excess (deficiency) of cash receipts over (under) cash disbursements. . . . .	<u>180,644</u>	<u>932,803</u>	<u>(170,640)</u>	<u>942,807</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	137,875	137,875
Transfers (out). . . . .	<u>(137,875)</u>	<u>-</u>	<u>-</u>	<u>(137,875)</u>
Total other financing receipts (disbursements) . . . . .	<u>(137,875)</u>	<u>-</u>	<u>137,875</u>	<u>-</u>
Net change in fund balances . . . . .	42,769	932,803	(32,765)	942,807
<b>Fund balances at beginning of year . . . . .</b>	<u>1,185,648</u>	<u>1,562,244</u>	<u>1,899,823</u>	<u>4,647,715</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,228,417</u>	<u>\$ 2,495,047</u>	<u>\$ 1,867,058</u>	<u>\$ 5,590,522</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Taxes . . . . .	\$ 779,218	\$ 711,093	\$ 738,575	\$ 27,482
Intergovernmental. . . . .	234,139	222,533	221,927	(606)
License, permits, and fees . . . . .	24,789	20,100	23,496	3,396
Interest. . . . .	23,998	31,420	22,746	(8,674)
Miscellaneous . . . . .	12,251	20,300	11,612	(8,688)
<b>Total receipts . . . . .</b>	<u>1,074,395</u>	<u>1,005,446</u>	<u>1,018,356</u>	<u>12,910</u>
<b>Disbursements:</b>				
Current:				
General government . . . . .	916,950	1,003,650	751,985	251,665
Public Safety . . . . .	136,605	136,605	50,634	85,971
Health. . . . .	118,000	118,000	54,876	63,124
Conservation and Recreation . . . . .	29,800	4,800	-	4,800
Capital outlay . . . . .	1,000	1,000	4,246	(3,246)
<b>Total disbursements . . . . .</b>	<u>1,202,355</u>	<u>1,264,055</u>	<u>861,741</u>	<u>402,314</u>
Excess (deficiency) of receipts over (under) disbursements. . . . .	<u>(127,960)</u>	<u>(258,609)</u>	<u>156,615</u>	<u>415,224</u>
<b>Other financing uses:</b>				
Transfers out. . . . .	(137,875)	(137,875)	(137,875)	-
<b>Total other financing uses . . . . .</b>	<u>(137,875)</u>	<u>(137,875)</u>	<u>(137,875)</u>	<u>-</u>
<b>Net change in fund balance . . . . .</b>	<u>(265,835)</u>	<u>(396,484)</u>	<u>18,740</u>	<u>415,224</u>
<b>Fund balances at beginning of year . . . . .</b>	1,171,583	1,171,583	1,171,583	-
<b>Prior year encumbrances appropriated . . . . .</b>	14,065	14,065	14,065	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 919,813</u>	<u>\$ 789,164</u>	<u>\$ 1,204,388</u>	<u>\$ 415,224</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP  
FRANKLIN COUNTY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Taxes . . . . .	\$ 4,032,680	\$ 3,964,448	\$ 3,973,440	\$ 8,992
Intergovernmental. . . . .	478,005	371,082	470,983	99,901
Charges for Services . . . . .	310,931	375,235	306,363	(68,872)
Miscellaneous . . . . .	58,557	59,700	57,697	(2,003)
Total receipts . . . . .	<u>4,880,173</u>	<u>4,770,465</u>	<u>4,808,483</u>	<u>38,018</u>
<b>Disbursements:</b>				
Current:				
Public Safety . . . . .	4,237,442	4,257,443	4,026,589	230,854
Total disbursements . . . . .	<u>4,237,442</u>	<u>4,257,443</u>	<u>4,026,589</u>	<u>230,854</u>
Excess of receipts over disbursements. . . . .	<u>642,731</u>	<u>513,022</u>	<u>781,894</u>	<u>268,872</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	144,023	130,000	141,907	11,907
Total other financing sources . . . . .	<u>144,023</u>	<u>130,000</u>	<u>141,907</u>	<u>11,907</u>
Net change in fund balance . . . . .	786,754	643,022	923,801	280,779
Fund balances at beginning of year . . . . .	1,548,134	1,548,134	1,548,134	-
Prior year encumbrances appropriated . . . . .	14,110	14,110	14,110	-
Fund balance at end of year . . . . .	<u>\$ 2,348,998</u>	<u>\$ 2,205,266</u>	<u>\$ 2,486,045</u>	<u>\$ 280,779</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUND  
DECEMBER 31, 2009**

	<u>Private-Purpose Trust</u>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	<u>\$ 3,209</u>
Total assets . . . . .	<u><u>\$ 3,209</u></u>
<b>Net Assets:</b>	
Held in trust for other purposes. . . . .	<u>3,209</u>
Total net assets. . . . .	<u><u>\$ 3,209</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP  
FRANKLIN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

	<u>Private-Purpose Trust</u>
<b>Additions:</b>	
Interest.....	<u>\$ 17</u>
Change in net assets.....	17
<b>Net assets at beginning of year .....</b>	<u>\$ 3,192</u>
<b>Net assets at end of year.....</b>	<u><u>\$ 3,209</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 1 - DESCRIPTION OF THE TOWNSHIP**

The Plain Township, Franklin County, Ohio (the "Township") is a body politic and corporate established for the purpose of exercising 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 the following services: fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services. The Township contracts with Mifflin Township through its Metropolitan Emergency Communication Consortium (MECC) for emergency dispatching services. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.D., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Township's accounting policies:

**A. Reporting Entity**

For financial reporting purposes, the Township's Basic Financial Statements (BFS) include all funds, agencies, boards, commissions, and departments for which the Township is financially accountable. Financial accountability, as defined by the GASB, exists if the Township appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Township. The Township may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the Township. The Township also took into consideration other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the Township's basic financial statements to be misleading or incomplete. The Township has no component units.

The following organizations are described due to their significant relationship to the Township:

*JOINTLY GOVERNED ORGANIZATIONS*

New Albany - Plain Local Joint Park District

The New Albany Plain-Local Joint Park District (the "Park District") is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating entities as follows: (1) The Village of New Albany; (2) Plain Township; and (3) The New Albany-Plain Local School District. The Park District possesses its own budgeting and taxing authority.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*JOINTLY GOVERNED ORGANIZATIONS - (Continued)*

Rocky Fork-Blacklick Accord

The Rocky Fork-Blacklick Accord is an initiative of the Village of New Albany, the City of Columbus, and Plain Township to establish long-range planning guidelines to manage future growth and development in the planning area.

*JOINT VENTURE*

New Albany Performing Arts Center

In 2004, the Township entered into a joint operating agreement with New Albany-Plain Local School District (the "District"), the Village of New Albany (the "Village") and the New Albany Community Foundation (the "Foundation") for the operations of the New Albany Performing Arts Center (the "Center"). The Center is being constructed through a joint collaboration between the Village, District and Township. Each of these entities shall own a portion of the Center, as tenants in common, equal to their financial contribution of the construction. The Village, District and Township have committed amounts not to exceed \$5 million, \$5 million and \$3 million, respectively, to supplement the construction of the Center. The Village made the \$3 million dollar contribution to the Center on behalf of the Township from an area tax increment financing agreement. The Foundation has committed to use its best efforts to raise approximately \$2.3 million to be applied to an endowment for the purpose of subsidizing the operation of the Center. The Center will serve both school and community needs, including music, theater, dance and ballet.

The Center is operated by a six member Board of Trustees (the "Board") consisting of two members appointed by the District, two members appointed by the Village, one member appointed by the Township and one member appointed by the Foundation. The Township does not appoint a voting majority of the Board.

The Township has no ongoing financial interest or responsibility in the operation of the Center other than it must pay a portion of the Director's salary. The Board approves the operating budget of the Center. Complete financial statements for the Center may be obtained from the Treasurer of the New Albany-Plain Local School District at 99 West Main Street, 2<sup>nd</sup> Floor, New Albany, OH 43054.

*PUBLIC ENTITY RISK POOL*

Ohio Township Association Risk Management Authority

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductible. This organization is discussed in Note 9.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a Statement of Net Assets - Cash Basis and a Statement of Activities - Cash Basis, and a fund financial statement which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

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

**C. Fund Accounting**

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories, governmental, proprietary, and fiduciary. The Township has no proprietary funds.

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

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

Fire District Fund - This fund is used to account for all financial activities of the fire operations.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Other governmental funds of the Township are used to account for grants and other receipts whose use is restricted to a particular purpose and for receipts and disbursements used for the acquisition, construction and improvement of capital facilities.

***Fiduciary Funds*** - Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has one private-purpose trust fund used for grave site maintenance in the township cemetery. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township does not maintain any agency funds.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraphs.

**D. Basis of Accounting**

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

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

**E. Budgetary Process**

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved). Contrary to Ohio Revised Code, the Capital Outlay line item in the General Fund expended \$3,246 more than appropriated.

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**F. Cash and Investments**

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2009, investments were limited to federal agency securities, nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on December 31, 2009.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 were \$22,746 which includes \$16,246 assigned from other Township funds.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**I. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. In addition to these disbursements, the Township also contributes the entire employee share. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits; these amounts are required amounts and are not necessarily the amounts that are paid.

**K. Long-term Obligations**

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

**L. Net Cash Assets**

Net cash assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Township first applies restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**M. Fund Balance Reserves**

The Township reserves any portion of fund balance which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**N. Interfund Activity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing receipts (disbursements) in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. Interfund transfers between governmental funds are eliminated for reporting in the Statement of Activities - Cash Basis.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2009, the Township has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the Township.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the Township.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the Township.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the Township.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the Township into three categories.

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Township by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits with Financial Institutions**

At December 31, 2009, the carrying amount of all Township deposits was \$2,675,773. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, \$1,418,855 of the Township's bank balance of \$2,685,692 was exposed to custodial risk as discussed below, while \$1,266,837 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Township's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township. The Township has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

**B. Investments**

As of December 31, 2009, the Township had the following investments and maturities:

Investment type	Balance at Carrying Value	Balance at Fair Value	Investment Maturities				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
STAR Ohio	\$ 1,418,458	\$ 1,418,458	\$ 1,418,458	\$ -	\$ -	\$ -	\$ -
FHLB	500,000	497,345	-	-	-	-	497,345
FHLMC	<u>999,500</u>	<u>1,001,005</u>	-	-	-	-	<u>1,001,005</u>
Total	<u>\$ 2,917,958</u>	<u>\$ 2,916,808</u>	<u>\$ 1,418,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,498,350</u>

The weighted average maturity of investments is 1.78 years.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Township's investment policy limits investment portfolio maturities to five years or less.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* Star Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The Township's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Township's name. The Township has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Fiscal officer or qualified trustee.

*Concentration of Credit Risk:* The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2009:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
STAR Ohio	\$ 1,418,458	48.61
FHLB	500,000	17.14
FHLMC	999,500	34.25
Total	<u>\$ 2,917,958</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Assets - Cash Basis as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,675,773
Investments	2,917,958
Total	<u>\$ 5,593,731</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,590,522
Private purpose trust	3,209
Total	<u>\$ 5,593,731</u>

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real and public utility property located in the Township. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Township due to the phasing out of the tax. In calendar years 2009-2010, the Township will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

	<u>2009</u>
Real property tax	\$ 636,455,540
Public utility tangible personal property	15,103,440
Tangible personal property	<u>328,560</u>
Total assessed valuation	<u>\$ 651,887,540</u>

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 6 - DEBT OBLIGATIONS**

Transactions for the year ended December 31, 2009 are summarized as follows:

<u>Description</u>	<u>Balance December 31, 2008</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance December 31, 2009</u>
Current Interest Bonds - Pool (1.50-3.00%)	\$ 1,675,000	\$ -	\$ (70,000)	\$ 1,605,000
Capital Appreciation Bonds - Pool (13.054%)	<u>197,932</u>	<u>7,750</u>	<u>-</u>	<u>205,682</u>
Total	<u>\$ 1,872,932</u>	<u>\$ 7,750</u>	<u>\$ (70,000)</u>	<u>\$ 1,810,682</u>

The Swimming Pool Notes were originally issued April 15, 2002 to construct, furnish, and equip the pool and to landscape and improve the site thereof. The Swimming Pool Notes were rolled over in 2003 and in January 2004 the Current Interest and Capital Appreciation Pool Bonds were issued which retired the 2003 notes. The original value of the Capital Appreciation Bonds was \$69,998; however, they have been presented above to include their accreted value. Increases in accreted value for each year are presented in the proceeds column.

General obligation bonds and notes are direct obligations of the Township for which its full faith, credit and resources, are pledged and are payable from tax levies on all taxable property in the Township.

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2009, are as follows:

<u>Year Ending December 31,</u>	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 75,000	\$ 66,125	\$ -	\$ -
2011	75,000	64,063	-	-
2012	-	61,812	26,338	53,662
2013	-	61,813	23,208	56,792
2014	-	61,812	20,452	59,568
2015 - 2019	425,000	277,103	-	-
2020 - 2024	525,000	180,847	-	-
2025 - 2028	<u>505,000</u>	<u>57,780</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,605,000</u>	<u>\$ 831,355</u>	<u>\$ 69,998</u>	<u>\$ 170,022</u>

Under the cash basis of accounting, debt obligations at year end are not reported on the financial statements.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 7 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The Township's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Township's contribution was 17.63% of covered payroll.

The Township's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$68,638, \$58,342, and \$63,690, respectively; 92.35% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 7 - PENSION PLANS - (Continued)**

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the Township is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, the portion of the Township's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The Township's required contributions for pension obligations to OP&F for firefighters was \$356,105 for the year ended December 31, 2009, \$330,292 for the year ended December 31, 2008, and \$276,454, for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 69.55% has been contributed for firefighters for 2009.

**NOTE 8 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but not does mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 8 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$49,353, \$58,342, and \$41,951, respectively; 92.35% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The Township contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 8 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contributions to OP&F which were allocated to fund post-employment healthcare benefits for firefighters was \$139,345 for the year ended December 31, 2009, \$129,245 for the year ended December 31, 2008, and \$131,847 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 69.55% has been contributed for firefighters for 2009.

**NOTE 9 - RISK MANAGEMENT**

**Risk Pool Membership**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 9 - RISK MANAGEMENT - (Continued)**

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Real Property	\$4,730,950	\$1,000
Personal Property	249,200	1,000
Newly Acquired Buildings	2,000,000	1,000
Newly Constructed Buildings	2,000,000	1,000
Personal Property at Newly Acquired Leased Locations	1,000,000	1,000
Vehicles	250,000	N/A
Miscellaneous Property	3,000,000	N/A
Electronic Data Processing Equipment	100,000	N/A
Dishonesty Securities	25,000	250
Boiler and Equipment Breakdown Protection	4,980,150	N/A

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and report the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

<u>Casualty Coverage</u>	<u>2009</u>	<u>2008</u>
Assets	\$ 38,982,088	\$ 40,737,740
Liabilities	<u>(12,880,766)</u>	<u>(12,981,818)</u>
Retained earnings	<u>\$ 26,101,322</u>	<u>\$ 27,755,922</u>

At December 31, 2009 and 2008, respectively, liabilities above include approximately \$12.0 million and \$12.1 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.5 million and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$25,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(CONTINUED)**

**NOTE 9 - RISK MANAGEMENT - (Continued)**

By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2009	\$25,500
2008	29,532

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**NOTE 10 - CONTINGENCIES**

**A. Litigation**

The Township is currently not party to an pending litigation.

**B. Grants**

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2009.

**NOTE 11 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended December 31, 2009, consisted of the following, as reported on the fund financial statements:

<u>Transfer from General Fund to:</u>	
Nonmajor governmental funds	<u>\$ 137,875</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the Statement of Activities - Cash Basis.



# Dave Yost • Auditor of State

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

Plain Township  
Franklin County  
45 Second Street  
New Albany, Ohio 43054

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Franklin County, Ohio (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 15, 2011, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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We did note a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated July 15, 2011.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

July 15, 2011



# Dave Yost • Auditor of State

PLAIN TOWNSHIP

FRANKLIN COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 23, 2011