



**Auditor of State
Betty Montgomery**

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Plain Township
Franklin County
39 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 years ended December 31, 2005 and December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the accompanying financial statements and notes follow the modified 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, 2005 and December 31, 2004, and the respective changes in cash financial position and the respective budgetary comparison for the General and the Fire District Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2006, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Betty Montgomery
Auditor of State

July 31, 2006

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
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 years ended December 31, 2005 and 2004, 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 financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

Key financial highlights for 2005 and 2004 are as follows:

- For fiscal year 2005, the total net cash assets of the Township increased \$1,083,217 or 37.02%. For fiscal year 2004, the total net cash assets of the Township decreased \$542,101 or 15.63%.
- For fiscal year 2005, general cash receipts accounted for \$4,218,112 or 74.99% of total governmental activities cash receipts, program specific cash receipts accounted for \$798,122 or 14.19% of total governmental activities cash receipts, and a special item, the sale of land, for \$608,792 or 10.82% of total governmental activities. For fiscal year 2004, general cash receipts accounted for \$6,006,725 or 90.37% of total governmental activities cash receipts and program specific cash receipts accounted for \$640,284 or 9.63% of total governmental activities cash receipts.
- For fiscal year 2005, the Township had \$4,541,809 in cash disbursements related to governmental activities; \$798,122 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$4,218,112 and the special item of \$608,792 were adequate to provide for these programs. For fiscal year 2004, the Township had \$7,189,110 in cash disbursements related to governmental activities; \$640,284 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$6,006,725 were not adequate to provide for these programs.
- The Township's major funds are the General Fund, Fire District fund, Swimming Pool Bond Retirement fund and Capital Fire Equipment fund. The General Fund, one of the Township's major funds, had cash receipts and other financing receipts of \$1,463,784 and \$795,945 in 2005 and 2004, respectively. The cash disbursements and other financing disbursements of the general fund, totaled \$1,084,097 and \$1,536,452 in 2005 and 2004, respectively. The general fund's cash balance increased \$379,687 from 2004 to 2005 and decreased \$740,507 from 2003 to 2004.
- The Fire District fund, a Township major fund, had cash receipts and of \$2,925,246 and \$2,772,785 in 2005 and 2004, respectively. The Fire District fund had cash disbursements and other financing uses of \$2,752,907 and \$2,337,715 in 2005 and 2004, respectively. The Fire District fund cash balance increased \$172,339 from 2004 to 2005 and increased \$435,070 from 2003 to 2004.
- The Swimming Pool Bond Retirement fund, a Township major fund, had other financing receipts of \$132,613 and \$2,327,490 in 2005 and 2004, respectively. The Swimming Pool Bond Retirement fund had cash disbursements of \$138,225 and \$2,321,305 in 2005 and 2004, respectively. The Swimming Pool Bond Retirement fund cash balance decreased \$5,612 from 2004 to 2005 and increased \$6,185 from 2003 to 2004.
- The Capital Fire Equipment fund, a Township major fund, had cash receipts and other financing receipts of \$563,544 and \$52,854 in 2005 and 2004, respectively. The Capital Fire Equipment fund had cash disbursements of \$857 and \$299,428 in 2005 and 2004, respectively. The Capital Fire Equipment fund cash balance increased \$562,687 from 2004 to 2005 and decreased \$246,574 from 2003 to 2004.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
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(Continued)**

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 four major governmental funds. The fire district fund is the largest major fund.

Reporting the Township as a Whole

Statement of Net Asset – 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 2005 and 2004?" These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principals 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 cash assets and changes in those assets on a cash basis. This change in net cash 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 13-16 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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

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, Fire District fund, Swimming Pool Bond Retirement fund, and Capital Fire Equipment fund. The analysis of the Township's major governmental funds begins on page 10.

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 principals 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 cash 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 17-20 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 Fire District fund are presented to demonstrate the Township's compliance with annually adopted budgets. The budgetary statements can be found on pages 21-24 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 25-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to 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 29-43 of this report.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
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(Continued)**

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 cash assets for 2005 and 2004. Since 2004 was the Township's first year preparing cash basis financial statements on a format consistent with GASB Statement No. 34, comparisons to 2003 are not available in the tables below. Comparative analysis between 2005 and 2004 follows:

	Net Assets	
	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 4,009,491	\$ 2,926,274
Total assets	<u>4,009,491</u>	<u>2,926,274</u>
<u>Net Cash Assets</u>		
Restricted	3,477,350	2,828,898
Unrestricted	<u>532,141</u>	<u>97,376</u>
Total net cash assets	<u>\$ 4,009,491</u>	<u>\$ 2,926,274</u>

For fiscal year 2005, net cash assets of the Township increased \$1,083,217 or 37.02%. For fiscal year 2004, net cash assets of the Township decreased \$542,101 or 15.63%. The balance of government-wide unrestricted net cash assets of \$532,141 at December 31, 2005 and \$97,376 at December 31, 2004 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 YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

The table below shows the changes in net cash assets for fiscal year 2005 and 2004.

	Change in Net Cash Assets	
	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 583,864	\$ 507,500
Operating grants and contributions	<u>214,258</u>	<u>132,784</u>
Total program cash receipts	<u>798,122</u>	<u>640,284</u>
General cash receipts:		
Property and other taxes	3,288,511	3,080,647
Unrestricted grants	743,496	548,814
Sale of bonds	-	2,099,998
Premium on sale of bonds	-	75,770
Investment earnings	76,926	40,701
Other	<u>109,179</u>	<u>160,795</u>
Total general cash receipts	<u>4,218,112</u>	<u>6,006,725</u>
Special item:		
Sale of land	<u>608,792</u>	<u>-</u>
Total cash receipts	<u>5,625,026</u>	<u>6,647,009</u>
Cash Disbursements:		
General government	601,451	572,394
Public safety	2,781,809	2,332,504
Public works	347,723	105,204
Health	42,071	64,435
Human services	4,505	16,752
Conservation and recreation	319,484	1,045,695
Miscellaneous	9,740	-
Capital outlay	44,643	416,226
Debt service:		
Principle retirement	290,000	2,455,000
Interest and fiscal charges	<u>100,383</u>	<u>180,900</u>
Total cash disbursements	<u>4,541,809</u>	<u>7,189,110</u>
Change in net cash assets	1,083,217	(542,101)
Net cash assets at beginning of year	<u>2,926,274</u>	<u>3,468,375</u>
Net cash assets at end of year	<u>\$ 4,009,491</u>	<u>\$ 2,926,274</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

Governmental Activities

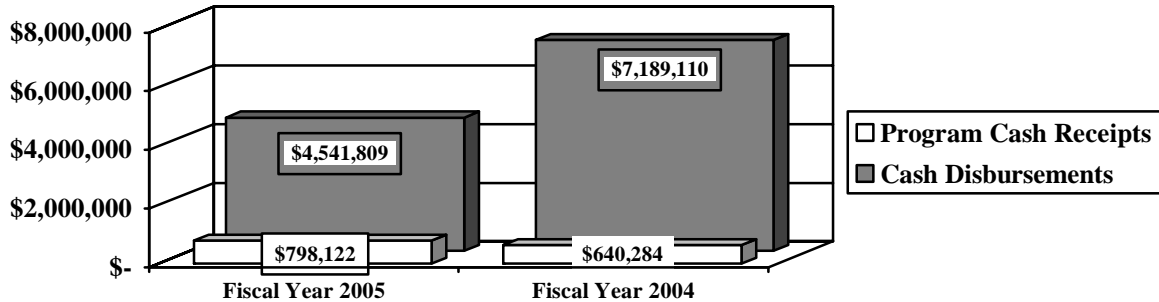
Governmental cash assets increased by \$1,083,217 in 2005 from 2004 primarily due to the sale of land and decreased \$542,101 in 2004 from 2003 primarily due to the refinancing of swimming pool notes to bonds.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2005, general government cash disbursements totaled \$601,451, or 13.24% of total governmental cash disbursements. General government programs were supported by \$5,367 in direct charges to users for services. In 2004, general government cash disbursements totaled \$572,394, or 7.96% of total governmental cash disbursements. General government programs were supported by \$10,056 in direct charges to users for services

In 2005 and 2004, the public safety programs accounted for \$2,781,809 and \$2,332,504 of total governmental cash disbursements, respectively. These operations are primarily supported through operating grants and taxes.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. 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**

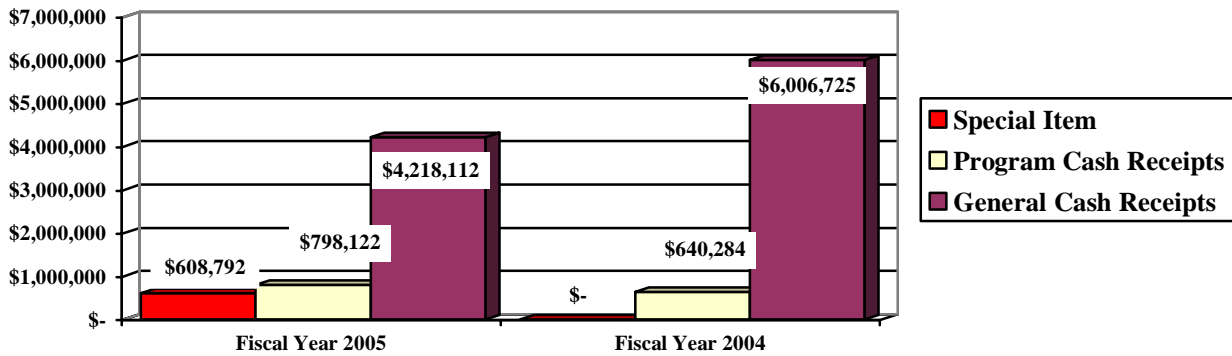
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

Governmental Activities

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Cash disbursements:				
Current:				
General government	\$ 601,451	\$ 596,084	\$ 572,394	\$ 562,338
Public safety	2,781,809	2,493,557	2,332,504	2,123,125
Public works	347,723	216,842	105,204	55,927
Health	42,071	20,037	64,435	43,766
Human services	4,505	4,505	16,752	16,752
Conservation	319,484	(3,280)	1,045,695	737,377
Miscellaneous	9,740	(18,467)	-	-
Capital outlay	44,643	44,032	416,226	373,641
Debt service:				
Principle retirement	290,000	290,000	2,455,000	2,455,000
Interest and fiscal charges	100,383	100,383	180,900	180,900
Total	<u>\$ 4,541,809</u>	<u>\$ 3,743,693</u>	<u>\$ 7,189,110</u>	<u>\$ 6,548,826</u>

The dependence upon general cash receipts for governmental activities is apparent; with 82.43% and 91.09% of cash disbursements supported through taxes and other general cash receipts during 2005 and 2004, respectively.

Governmental Activities - General and Program Cash Receipts



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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

Governmental Funds

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

At December 31, 2005, the Township's governmental funds reported a combined fund cash balance of \$4,009,491, which is \$1,083,217 above 2004 total of \$2,926,274. At December 31, 2004, the Township's governmental funds reported a combined fund cash balance of \$2,926,274, which is \$542,101 below 2003 total of \$3,468,375. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2005, 2004, and 2003 for all major and all nonmajor governmental funds.

	Fund Cash Balance <u>December 31, 2005</u>	Fund Cash Balance <u>December 31, 2004</u>	Fund Cash Balance <u>December 31, 2003</u>	2005/2004 Increase (Decrease)	2004/2003 Increase (Decrease)
Major Funds:					
General	\$ 530,129	\$ 150,442	\$ 890,949	\$ 379,687	\$ (740,507)
Fire District	2,203,353	2,031,014	1,595,944	172,339	435,070
Swimming Pool					
Bond Retirement	573	6,185	-	(5,612)	6,185
Capital Fire Equipment	595,253	32,566	279,140	562,687	(246,574)
Other Governmental Funds	<u>680,183</u>	<u>706,067</u>	<u>702,342</u>	<u>(25,884)</u>	<u>3,725</u>
Total	<u>\$ 4,009,491</u>	<u>\$ 2,926,274</u>	<u>\$ 3,468,375</u>	<u>\$ 1,083,217</u>	<u>\$ (542,101)</u>

General Fund

The General Fund had cash receipts of \$1,092,492 and \$795,945 in 2005 and 2004, respectively. The cash disbursements of the General Fund totaled \$680,572 and \$1,336,246 in 2005 and 2004, respectively. The above amounts exclude other financing receipts and disbursements and special items. The General Fund's cash balance increased \$379,687 from 2004 to 2005.

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

	2005 <u>Amount</u>	2004 <u>Amount</u>	2003 <u>Amount</u>	2005/2004 Increase (Decrease)	2004/2003 Increase (Decrease)
<u>Cash Receipts:</u>					
Taxes	\$ 565,766	\$ 479,903	\$ 586,005	\$ 85,863	\$ (106,102)
Intergovernmental	436,658	273,558	285,039	163,100	(11,481)
License, permits and fees	5,367	10,056	6,029	(4,689)	4,027
Investment income	67,534	30,561	29,154	36,973	1,407
Other	<u>17,167</u>	<u>1,867</u>	<u>7,786</u>	<u>15,300</u>	<u>(5,919)</u>
Total	<u>\$ 1,092,492</u>	<u>\$ 795,945</u>	<u>\$ 914,013</u>	<u>\$ 296,547</u>	<u>\$ (118,068)</u>

Taxes increased due to a larger value of assessed property value and timing of receipt of taxes in 2003. Investment income cash receipts increased due to higher interest earning investments and larger invested balances. Intergovernmental income increased due to additional grants received from other governments. All other revenue remained comparable to 2004.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

The table that follows assists in illustrating the expenditures of the general fund.

	2005 <u>Amount</u>	2004 <u>Amount</u>	2003 <u>Amount</u>	2005/2004 Increase (Decrease)	2004/2003 Increase (Decrease)
<u>Cash Disbursements</u>					
General government	\$ 601,451	\$ 572,394	\$ 511,197	\$ 29,057	\$ 61,197
Public safety	14,576	3,867	9,865	10,709	(5,998)
Health	13,826	14,551	15,029	(725)	(478)
Human services	4,505	16,752	6,648	(12,247)	10,104
Conservation and recreation	-	687,499	3,941	(687,499)	683,558
Miscellaneous	7,560	-	31,560	7,560	(31,560)
Capital outlay	<u>38,654</u>	<u>41,183</u>	<u>9,009</u>	<u>(2,529)</u>	<u>32,174</u>
Total	<u>\$ 680,572</u>	<u>\$ 1,336,246</u>	<u>\$ 587,249</u>	<u>\$ (655,674)</u>	<u>\$ 748,997</u>

Public safety increased due to increased in 2005 spending by the fire department. Conservation decreased because in 2004 the Township made a purchase of land. All other disbursement levels were comparable.

Fire District Fund

The Fire District fund, a Township major fund, had cash receipts of \$2,925,246 and \$2,772,785 in 2005 and 2004, respectively. Cash disbursements in this fund were \$2,702,907 and \$2,287,715 in 2005 and 2004, respectively. The above amounts exclude other financing receipts and disbursements. The Fire District fund cash balance increased \$172,339 from 2004 to 2005. These resulted in relatively stable fund balances and activity.

Swimming Pool Bond Retirement Fund

The Swimming Pool Bond Retirement fund, a Township major fund, had other financing sources of \$132,613 and \$2,323,974 in 2005 and 2004, respectively. Cash disbursements in this fund were \$138,225 and \$2,321,305 in 2005 and 2004, respectively. The Swimming Pool Bond Retirement fund cash balance decreased \$5,612 from 2004 to 2005. The balance of the fund has remained stable with activity increasing for 2004 due to the refinancing of the swimming pool notes.

Capital Fire Equipment Fund

The Capital Fire Equipment fund, a Township major fund, had cash receipts of \$5,132 and \$2,854 in 2005 and 2004, respectively. Cash disbursements in this fund were \$857 and \$299,428 in 2005 and 2004, respectively. The above amounts exclude other financing receipts and disbursements. The Capital Fire Equipment fund cash balance increased \$562,687 from 2004 to 2005 due to transfers from the General Fund and decreased \$246,574 from 2003 to 2004 due to fire equipment purchases.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
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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 2005, final budget basis receipts and other financing receipts for the general fund were \$5,067,944 below original budget estimates of \$6,160,436. Actual cash receipts and other financing receipts of \$1,092,492 were greater than final budget estimates by \$111,586. The final budgetary basis disbursements and other financing disbursements of \$1,104,229 were \$3,714,136 less than original budget estimates. The actual budgetary basis disbursements and other financing disbursements of \$1,104,229 were \$189,563 less than the final budget estimates. For 2004, final budget basis receipts for the General Fund were \$4,239,003 below original budget estimates of \$5,034,948. Actual cash receipts of \$795,945 were less than final budget estimates by \$4,282,619. The final budgetary basis disbursements and other financing disbursements of \$1,545,367 were \$3,739,923 less than original budget estimates. The actual budgetary basis disbursements of \$1,545,367 were \$4,343,801 less than the final budget estimates.

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 \$44,643 and \$416,226 during fiscal year 2005 and 2004, respectively. The Township also sold land in 2005 in the amount of \$608,792.

Debt Administration

The Township had the following debt outstanding at December 31, 2005 or 2004:

	<u>Governmental Activities 2005</u>	<u>Governmental Activities 2004</u>
Fire Station Construction Bonds	\$ 400,000	\$ 625,000
Current Interest Bonds - Swimming Pool	1,885,000	1,950,000
Capital Appreciation Bonds - Swimming Pool	<u>69,998</u>	<u>69,998</u>
Total long-term obligations	<u>\$ 2,354,998</u>	<u>\$ 2,644,998</u>

The Township refinanced a \$2,100,000 outstanding issue of swimming pool notes with the above disclosed swimming pool bonds during 2004.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
UNAUDITED
(Continued)**

Current Financial Related Activities

The following economic factors were taken into consideration in preparing the budget for fiscal year 2005:

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 and local government revenue assistance funds will be cut by 10% in the State budget. These funds represented 40% of the Township's general fund revenues in 2005. Sales and property tax revenues are expected to remain consistent as well as expenditures for fiscal year 2006.

These economic factors were considered in preparing the Township's budget for fiscal year 2006. 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, 39 2nd Street, New Albany, Ohio, 43054.

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**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2005**

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 4,009,491
 Total assets.	 4,009,491
 Net cash assets:	
Restricted for:	
Public works.	211,401
Health and human services	65,789
Street maintenance and construction	245,871
Public safety	2,203,353
Conservation and recreation.	77,774
Debt service.	31,920
Capital projects	641,242
Unrestricted	532,141
 Total net assets	 \$ 4,009,491

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Current:				
General government	\$ 601,451	\$ 5,367	\$ -	\$ (596,084)
Public safety	2,781,809	233,183	55,075	(2,493,551)
Public works	347,723	-	130,881	(216,842)
Health	42,071	22,034	-	(20,037)
Human services.	4,505	-	-	(4,505)
Conservation and recreation	319,484	322,764	-	3,280
Miscellaneous	9,740	-	-	(9,740)
Capital outlay.	44,643	516	28,302	(15,825)
Debt service:				
Principal retirement.	290,000	-	-	(290,000)
Interest and fiscal charges	100,383	-	-	(100,383)
Total governmental activities	<u>\$ 4,541,809</u>	<u>\$ 583,864</u>	<u>\$ 214,258</u>	<u>(3,743,687)</u>

General Receipts:

Property and other taxes levied for:

General purposes	565,766
Public safety - Fire district	2,336,935
Road and bridge improvements	144,963
Debt service	240,847
Grants and entitlements not restricted to specific programs.	743,496
Investment receipts	76,926
Miscellaneous	109,179
Total general receipts.	<u>4,218,112</u>

Special item:

Sale of land	<u>608,792</u>
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Total general receipts and special item	<u>4,826,904</u>
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Change in net assets	1,083,217
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Net assets at beginning of year.	<u>2,926,274</u>
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Net assets at end of year	<u>\$ 4,009,491</u>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General	Fire District	Swimming Pool Bond Retirement	Capital Fire Equipment	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	\$ 530,129	\$ 2,203,353	\$ 573	\$ 595,253	\$ 680,183	\$ 4,009,491
Total assets	<u>\$ 530,129</u>	<u>\$ 2,203,353</u>	<u>\$ 573</u>	<u>\$ 595,253</u>	<u>\$ 680,183</u>	<u>\$ 4,009,491</u>
Fund balances:						
Reserved for encumbrances.	\$ 20,132	\$ 9,859	\$ -	\$ 18,000	\$ 30,761	\$ 78,752
Unreserved, undesignated, reported in:						
General fund.	509,997	-	-	-	-	509,997
Special revenue funds	-	2,193,494	-	-	570,074	2,763,568
Debt service funds.	-	-	573	-	31,347	31,920
Permanent fund	-	-	-	-	2,012	2,012
Capital projects funds	-	-	-	577,253	45,989	623,242
Total fund balances	<u>\$ 530,129</u>	<u>\$ 2,203,353</u>	<u>\$ 573</u>	<u>\$ 595,253</u>	<u>\$ 680,183</u>	<u>\$ 4,009,491</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Fire District	Swimming Pool Bond Retirement	Capital Fire Equipment	Other Governmental Funds	Total Governmental Funds
Cash receipts:						
Taxes	\$ 565,766	\$ 2,336,935	\$ -	\$ -	\$ 385,810	\$ 3,288,511
Intergovernmental	436,658	304,984	-	-	216,112	957,754
Charges for services	-	233,183	-	-	322,764	555,947
License, permits and fees	5,367	-	-	-	22,550	27,917
Interest	67,534	-	-	5,132	4,260	76,926
Contributions and donations	-	6,203	-	-	-	6,203
Miscellaneous	17,167	43,941	-	-	41,868	102,976
Total cash receipts	<u>1,092,492</u>	<u>2,925,246</u>	<u>-</u>	<u>5,132</u>	<u>993,364</u>	<u>5,016,234</u>
Cash disbursements:						
Current:						
General government	601,451	-	-	-	-	601,451
Public safety	14,576	2,702,907	-	-	64,326	2,781,809
Public works	-	-	-	-	347,723	347,723
Health	13,826	-	-	-	28,245	42,071
Human services	4,505	-	-	-	-	4,505
Conservation and recreation	-	-	-	-	319,484	319,484
Miscellaneous	7,560	-	-	-	2,180	9,740
Capital outlay	38,654	-	-	857	5,132	44,643
Debt service:						
Principal retirement	-	-	65,000	-	225,000	290,000
Interest and fiscal charges	-	-	73,225	-	27,158	100,383
Total cash disbursements	<u>680,572</u>	<u>2,702,907</u>	<u>138,225</u>	<u>857</u>	<u>1,019,248</u>	<u>4,541,809</u>
Excess of cash receipts over (under) cash disbursements	<u>411,920</u>	<u>222,339</u>	<u>(138,225)</u>	<u>4,275</u>	<u>(25,884)</u>	<u>474,425</u>
Other financing receipts (disbursements):						
Transfers in	-	-	132,613	320,912	-	453,525
Transfers out	(403,525)	(50,000)	-	-	-	(453,525)
Total other financing receipts (disbursements)	<u>(403,525)</u>	<u>(50,000)</u>	<u>132,613</u>	<u>320,912</u>	<u>-</u>	<u>-</u>
Special item:						
Sale of land	<u>371,292</u>	<u>-</u>	<u>-</u>	<u>237,500</u>	<u>-</u>	<u>608,792</u>
Net change in fund cash balances	379,687	172,339	(5,612)	562,687	(25,884)	1,083,217
Fund balances						
at beginning of year	150,442	2,031,014	6,185	32,566	706,067	2,926,274
Fund balances at end of year	<u>\$ 530,129</u>	<u>\$ 2,203,353</u>	<u>\$ 573</u>	<u>\$ 595,253</u>	<u>\$ 680,183</u>	<u>\$ 4,009,491</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 (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Taxes	\$ 577,865	\$ 126,840	\$ 565,766	\$ 438,926
Intergovernmental	199,565	43,804	436,658	392,854
License, permits and fees	5,810	1,275	5,367	4,092
Interest	20,500	4,500	67,534	63,034
Miscellaneous	5,356,696	804,487	17,167	(787,320)
Total receipts	<u>6,160,436</u>	<u>980,906</u>	<u>1,092,492</u>	<u>111,586</u>
Disbursements:				
Current:				
General government	912,644	789,739	621,583	168,156
Public safety	34,835	18,520	14,576	3,944
Health	26,918	17,566	13,826	3,740
Human services	76,363	5,724	4,505	1,219
Miscellaneous	-	9,606	7,560	2,046
Capital outlay	3,684,605	49,112	38,654	10,458
Total disbursements	<u>4,735,365</u>	<u>890,267</u>	<u>700,704</u>	<u>189,563</u>
Excess of receipts over (under) disbursements	<u>1,425,071</u>	<u>90,639</u>	<u>391,788</u>	<u>301,149</u>
Other financing disbursements:				
Transfers out	(83,000)	(403,525)	(403,525)	-
Total other financing disbursements	<u>(83,000)</u>	<u>(403,525)</u>	<u>(403,525)</u>	<u>-</u>
Special item:				
Sale of land	-	371,292	371,292	-
Net change in fund balance	1,342,071	58,406	359,555	301,149
Fund balance at beginning of year	141,527	141,527	141,527	-
Prior year encumbrances appropriated	8,915	8,915	8,915	-
Fund balance at end of year	<u>\$ 1,492,513</u>	<u>\$ 208,848</u>	<u>\$ 509,997</u>	<u>\$ 301,149</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 (BUDGET BASIS)
FIRE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Taxes	\$ 2,325,013	\$ 2,309,892	\$ 2,336,935	\$ 27,043
Intergovernmental	256,101	253,041	304,984	51,943
Charges for services	166,200	225,496	233,183	7,687
Contributions and donations	900	5,998	6,203	205
Miscellaneous	54,100	84,381	43,941	(40,440)
Total receipts	<u>2,802,314</u>	<u>2,878,808</u>	<u>2,925,246</u>	<u>46,438</u>
Disbursements:				
Current:				
Public safety	2,935,028	2,937,453	2,712,766	224,687
Total disbursements	<u>2,935,028</u>	<u>2,937,453</u>	<u>2,712,766</u>	<u>224,687</u>
Excess of receipts over (under) disbursements	<u>(132,714)</u>	<u>(58,645)</u>	<u>212,480</u>	<u>271,125</u>
Other financing receipts (disbursements):				
Transfers in	40,922	-	-	-
Transfers out	(25,000)	(50,000)	(50,000)	-
Total other financing receipts (disbursements)	<u>15,922</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	(116,792)	(108,645)	162,480	271,125
Fund balance at beginning of year	2,003,589	2,003,589	2,003,589	-
Prior year encumbrances appropriated	<u>27,425</u>	<u>27,425</u>	<u>27,425</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,914,222</u>	<u>\$ 1,922,369</u>	<u>\$ 2,193,494</u>	<u>\$ 271,125</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2005**

		<u>Private-Purpose Trust</u>
Assets:		
Equity in pooled cash and cash equivalents	\$	<u>3,185</u>
Total assets.		<u>3,185</u>
 Net assets:		
Held in trust for other purposes		<u>3,185</u>
Total net assets	\$	<u><u>3,185</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Private-Purpose Trust</u>
Additions:	
Interest	\$ 4
Total additions.	<u>4</u>
Net assets at beginning of year	<u>3,181</u>
Net assets at end of year	<u><u>\$ 3,185</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2004**

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,926,274
 Total assets.	 2,926,274
Net cash assets:	
Restricted for:	
Public works.	381,014
Health and human services	41,996
Street maintenance and construction	204,090
Public safety	2,031,014
Conservation and recreation	72,890
Debt service.	18,966
Capital projects	78,928
Unrestricted	97,376
 Total net assets	 \$ 2,926,274

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Program Cash Receipts			Net (Disbursements)
	Cash	Charges for	Operating Grants	Receipts and
	Disbursements	Services	and	Changes in Net Assets
			Contributions	Governmental
				Activities
Governmental activities:				
Current:				
General government	\$ 572,394	\$ 10,056	\$ -	\$ (562,338)
Public safety	2,332,504	168,457	40,922	(2,123,125)
Public works	105,204	-	49,277	(55,927)
Health	64,435	20,669	-	(43,766)
Human services	16,752	-	-	(16,752)
Conservation and recreation	1,045,695	308,318	-	(737,377)
Capital outlay	416,226	-	42,585	(373,641)
Debt service:				
Principal retirement	2,455,000	-	-	(2,455,000)
Interest and fiscal charges	180,900	-	-	(180,900)
Total governmental activities	\$ 7,189,110	\$ 507,500	\$ 132,784	(6,548,826)
 General Receipts:				
Property and other taxes levied for:				
General purposes				479,903
Public safety - Fire district				2,263,637
Health - Cemetery				9
Road and bridge improvements				153,356
Debt service				183,742
Grants and entitlements not restricted to specific programs				548,814
Sale of bonds				2,099,998
Premium on sale of bonds				75,770
Investment receipts				40,701
Miscellaneous				160,795
Total general receipts				6,006,725
 Change in net assets				 (542,101)
Net assets at beginning of year				3,468,375
Net assets at end of year				\$ 2,926,274

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Fire District	Swimming Pool Bond Retirement	Capital Fire Equipment	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	\$ 150,442	\$ 2,031,014	\$ 6,185	\$ 32,566	\$ 706,067	\$ 2,926,274
Total assets	<u>\$ 150,442</u>	<u>\$ 2,031,014</u>	<u>\$ 6,185</u>	<u>\$ 32,566</u>	<u>\$ 706,067</u>	<u>\$ 2,926,274</u>
Fund balances:						
Reserved for encumbrances.	\$ 8,915	\$ 27,425	\$ -	\$ -	\$ 267,869	\$ 304,209
Unreserved, undesignated, reported in:						
General fund.	141,527	-	-	-	-	141,527
Special revenue funds	-	2,003,589	-	-	377,046	2,380,635
Debt service funds.	-	-	6,185	-	12,781	18,966
Permanent fund	-	-	-	-	2,009	2,009
Capital projects funds	-	-	-	32,566	46,362	78,928
Total fund balances	<u>\$ 150,442</u>	<u>\$ 2,031,014</u>	<u>\$ 6,185</u>	<u>\$ 32,566</u>	<u>\$ 706,067</u>	<u>\$ 2,926,274</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Fire District	Swimming Pool Bond Retirement	Capital Fire Equipment	Other Governmental Funds	Total Governmental Funds
Cash receipts:						
Taxes	\$ 479,903	\$ 2,263,637	\$ -	\$ -	\$ 337,107	\$ 3,080,647
Intergovernmental	273,558	286,049	-	-	121,991	681,598
Charges for services	-	168,457	-	-	308,318	476,775
License, permits and fees	10,056	-	-	-	20,669	30,725
Interest	30,561	-	3,516	2,854	3,770	40,701
Contributions and Donations	-	965	-	-	-	965
Miscellaneous	1,867	53,677	-	-	104,286	159,830
Total cash receipts	<u>795,945</u>	<u>2,772,785</u>	<u>3,516</u>	<u>2,854</u>	<u>896,141</u>	<u>4,471,241</u>
Cash disbursements:						
Current:						
General government	572,394	-	-	-	-	572,394
Public safety	3,867	2,287,715	-	-	40,922	2,332,504
Public works	-	-	-	-	105,204	105,204
Health	14,551	-	-	-	49,884	64,435
Human services	16,752	-	-	-	-	16,752
Conservation	687,499	-	-	-	358,196	1,045,695
Capital outlay	41,183	-	-	299,428	75,615	416,226
Debt service:						
Principal retirement	-	-	2,180,000	-	275,000	2,455,000
Interest and fiscal charges	-	-	141,305	-	39,595	180,900
Total cash disbursements	<u>1,336,246</u>	<u>2,287,715</u>	<u>2,321,305</u>	<u>299,428</u>	<u>944,416</u>	<u>7,189,110</u>
Excess of cash receipts over (under) cash disbursements	<u>(540,301)</u>	<u>485,070</u>	<u>(2,317,789)</u>	<u>(296,574)</u>	<u>(48,275)</u>	<u>(2,717,869)</u>
Other financing receipts (disbursements):						
Sale of bonds	-	-	2,099,998	-	-	2,099,998
Premium on sale of bonds	-	-	75,770	-	-	75,770
Transfers in	-	-	148,206	50,000	52,000	250,206
Transfers out	(200,206)	(50,000)	-	-	-	(250,206)
Total other financing receipts (disbursements)	<u>(200,206)</u>	<u>(50,000)</u>	<u>2,323,974</u>	<u>50,000</u>	<u>52,000</u>	<u>2,175,768</u>
Net change in fund cash balances	(740,507)	435,070	6,185	(246,574)	3,725	(542,101)
Fund balances						
at beginning of year	890,949	1,595,944	-	279,140	702,342	3,468,375
Fund balances at end of year	<u>\$ 150,442</u>	<u>\$ 2,031,014</u>	<u>\$ 6,185</u>	<u>\$ 32,566</u>	<u>\$ 706,067</u>	<u>\$ 2,926,274</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 (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Taxes	\$ 472,706	\$ 476,801	\$ 479,903	\$ 3,102
Intergovernmental	169,977	171,449	273,558	102,109
License, permits and fees	5,482	5,529	10,056	4,527
Interest	20,000	20,173	30,561	10,388
Miscellaneous	4,366,783	4,404,612	1,867	(4,402,745)
Total receipts	<u>5,034,948</u>	<u>5,078,564</u>	<u>795,945</u>	<u>(4,282,619)</u>
Disbursements:				
Current:				
General government	741,896	819,583	578,112	241,471
Public safety	54,021	59,673	3,867	55,806
Health	15,889	17,551	14,551	3,000
Human services	59,788	66,043	18,989	47,054
Conservation and recreation	697,205	717,837	688,459	29,378
Capital outlay	3,581,285	4,008,275	41,183	3,967,092
Total disbursements	<u>5,150,084</u>	<u>5,688,962</u>	<u>1,345,161</u>	<u>4,343,801</u>
Excess of receipts over (under) disbursements	<u>(115,136)</u>	<u>(610,398)</u>	<u>(549,216)</u>	<u>61,182</u>
Other financing disbursements:				
Transfers out	<u>(135,206)</u>	<u>(200,206)</u>	<u>(200,206)</u>	<u>-</u>
Total other financing disbursements	<u>(135,206)</u>	<u>(200,206)</u>	<u>(200,206)</u>	<u>-</u>
Net change in fund balance	(250,342)	(810,604)	(749,422)	61,182
Fund balance at beginning of year	870,879	870,879	870,879	-
Prior year encumbrances appropriated	<u>20,070</u>	<u>20,070</u>	<u>20,070</u>	<u>-</u>
Fund balance at end of year	<u>\$ 640,607</u>	<u>\$ 80,345</u>	<u>\$ 141,527</u>	<u>\$ 61,182</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 (BUDGET BASIS)
FIRE DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Taxes	\$ 2,078,916	\$ 2,064,850	\$ 2,263,637	\$ 198,787
Intergovernmental	239,050	260,929	286,049	25,120
Charges for services	165,500	153,663	168,457	14,794
Contributions and donations	2,000	880	965	85
Miscellaneous	43,820	48,963	53,677	4,714
Total receipts	<u>2,529,286</u>	<u>2,529,285</u>	<u>2,772,785</u>	<u>243,500</u>
Disbursements:				
Current:				
Public safety	2,524,869	2,587,025	2,315,140	271,885
Total disbursements	<u>2,524,869</u>	<u>2,587,025</u>	<u>2,315,140</u>	<u>271,885</u>
Excess of receipts over (under) disbursements	<u>4,417</u>	<u>(57,740)</u>	<u>457,645</u>	<u>515,385</u>
Other financing disbursements:				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing disbursements	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	(45,583)	(107,740)	407,645	515,385
Fund balance at beginning of year	1,541,288	1,541,288	1,541,288	-
Prior year encumbrances appropriated	<u>54,656</u>	<u>54,656</u>	<u>54,656</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,550,361</u>	<u>\$ 1,488,204</u>	<u>\$ 2,003,589</u>	<u>\$ 515,385</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2004**

	Private-Purpose Trust
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,181
Total assets.	3,181
 Net assets:	
Held in trust for other purposes	3,181
Total net assets	\$ 3,181

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Private-Purpose Trust</u>
Net assets at beginning of year	<u>\$ 3,181</u>
Net assets at end of year	<u><u>\$ 3,181</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

NOTE 1 - DESCRIPTION OF THE ENTITY

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

The Township participates in a joint venture of the Metropolitan Emergency Communication Consortium for dispatch services. See Note 13.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). 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. Basis of Presentation

For fiscal years ended 2005 and 2004, the Township has implemented the GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments" presentation format.

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

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

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

A. Basis of Presentation – (Continued)

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

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental, 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 non-exchange 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 - This fund is used to account for all financial activities of the fire operations.

Swimming Pool Bond Retirement – This fund is used to account for financial activities related to the retirement of bonds that were issued to finance a swimming pool.

Capital Fire Equipment - This fund is used to account for financial activities related to the purchase of fire equipment.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the object level for all funds. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

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

E. Cash and Cash Equivalents

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

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

During 2005 and 2004, the Township invested in 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 share price, which is the price the investment could be sold for on December 31, 2005 or December 31, 2004, respectively.

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 2005 was \$67,534 which includes \$59,993 assigned from other Township funds. Interest receipts credited to the general fund during 2004 was \$30,561 which includes \$23,929 assigned from other Township funds.

F. 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.

G. Capital Assets

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

H. Interfund Receivables/Payables

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

I. 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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

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

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. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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 are 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 receipt (disbursement) 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.

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. During fiscal year 2005, the Township sold land. This transaction is classified as a special item.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal years 2004 and 2005, the Township has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

The implementation of GASB Statement No. 40 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.

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 moneys 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.

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.

Interim monies to 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;

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 division (1) or (2) of this section 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.

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, 2005, the carrying amount of all Township deposits was \$2,787,659. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2005, \$2,491,881 of the Township's bank balance of \$2,797,109 was exposed to custodial risk as discussed below, while \$305,228 was covered by Federal Deposit Insurance Corporation.

At December 31, 2004, the carrying amount of all Township deposits was \$2,110,861. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2004, \$2,006,564 of the Township's bank balance of \$2,111,784 was exposed to custodial risk as discussed below, while \$105,220 was covered by Federal Deposit Insurance Corporation.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

B. Investments

As of December 31, 2005, the Township had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturity</u>
		<u>6 months or less</u>
STAR Ohio	<u>\$ 1,225,017</u>	<u>\$ 1,225,017</u>

As of December 31, 2004, the Township had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturity</u>
		<u>6 months or less</u>
STAR Ohio	<u>\$ 818,594</u>	<u>\$ 818,594</u>

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.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Township's investment policy limits investments to those authorized by state statute.

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, 2005 and 2004:

<u>Investment type</u>	<u>December 31, 2005</u>		<u>December 31, 2004</u>	
	<u>Fair Value</u>	<u>% of Total</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	<u>\$ 1,225,017</u>	<u>100.00%</u>	<u>\$ 818,594</u>	<u>100.00%</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2005 and 2004:

<u>Cash and Investments per footnote</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Carrying amount of deposits	\$ 2,787,659	\$ 2,110,861
Investments	1,225,017	818,594
Total	<u>\$ 4,012,676</u>	<u>\$ 2,929,455</u>

<u>Cash and Investments per Statement of Net Assets</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Governmental activities	\$ 4,009,491	\$ 2,926,274
Private purpose trust	3,185	3,181
Total	<u>\$ 4,012,676</u>	<u>\$ 2,929,455</u>

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2003, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values of real and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 5 - PROPERTY TAX – (Continued)

	2005	2004
Real property tax	\$ 594,330,430	\$ 453,362,020
Public utility tangible personal property	16,885,250	16,294,660
Tangible personal property	14,469,902	12,369,928
 Total assessed valuation	 \$ 625,685,582	 \$ 482,026,608

NOTE 6 - DEBT OBLIGATIONS

Transactions for the years ended December 31, 2005 and 2004 are summarized as follows:

	Balance at December 31, 2004	Proceeds	Payments	Balance at December 31, 2005
<u>2005</u>				
<u>Description</u>				
Fire Station Construction Bonds (4.25 - 4.40%)	\$ 625,000	\$ -	\$ (225,000)	\$ 400,000
Current Interest Bonds - Pool (1.5 - 3.0%)	1,950,000		(65,000)	1,885,000
Capital Appreciation Bonds - Pool (13.054%)	69,998	-	-	69,998
Total	\$ 2,644,998	\$ -	\$ (290,000)	\$ 2,354,998
 <u>2004</u>				
<u>Description</u>				
Fire Station Construction Bonds (4.25 - 4.40%)	\$ 840,000	\$ -	\$ (215,000)	\$ 625,000
Fire Facilities Notes (5.50%)	60,000	-	(60,000)	-
Swimming Pool Notes (1.90%)	2,100,000	-	(2,100,000)	-
Current Interest Bonds - Pool (1.5-3.0%)	-	2,030,000	(80,000)	1,950,000
Capital Appreciation Bonds - Pool (13.054%)	-	69,998	-	69,998
Total	\$ 3,000,000	\$ 2,099,998	\$ (2,455,000)	\$ 2,644,998

Fire Station Construction Bonds and Fire Facility Notes were issued in 1998 for the purpose of constructing, equipping, and furnishing a firehouse and are general obligations of the Township. 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 the Current Interest and Capital Appreciation Pool Bonds were issued which retired the 2003 series notes.

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 taxes levies on all taxable property in the Township.

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2005, are as follows:

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 6 - DEBT OBLIGATIONS – (Continued)

Year Ending December 31	Current Interest Bonds		Capital Appreciation Bonds		Fire Station Construction	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 70,000	\$ 72,250	\$ -	\$ -	\$ 235,000	\$ 17,483
2007	70,000	70,850	-	-	165,000	7,260
2008	70,000	69,450	-	-	-	-
2009	70,000	67,875	-	-	-	-
2010	75,000	66,125	-	-	-	-
2011 - 2015	155,000	311,312	69,998	170,001	-	-
2016 - 2020	440,000	259,968	-	-	-	-
2021 - 2025	545,000	159,180	-	-	-	-
2026 - 2028	390,000	34,760	-	-	-	-
Total	<u>\$ 1,885,000</u>	<u>\$ 1,111,770</u>	<u>\$ 69,998</u>	<u>\$ 170,001</u>	<u>\$ 400,000</u>	<u>\$ 24,743</u>

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

NOTE 7 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

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

For the year ended December 31, 2005 and December 31, 2004, the members of traditional and combined plans, the Township employee's do not participate in the member-directed plan, were required to contribute 8.5% of their annual covered salaries. The employee contribution was picked up by the Township. The Township's contribution rate for pension benefits for 2005 and 2004 was 9.55%. The Ohio Revised Code provides statutory authority for member and employer contributions.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 7 - PENSION PLANS – (Continued)

A. Ohio Public Employees Retirement System – (Continued)

The Township's contributions to OPERS for the years ended December 31, 2005, 2004, and 2003 were \$55,070, \$55,979, and \$47,270, respectively; these contributions were sufficient to fulfill the requirements.

B. Ohio Police and Fire Pension Fund

The Township's certified firefighters belong 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 Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the Township is required to contribute 16.25% for firefighters. The employee contribution was picked up by the Township. Contributions are authorized by State statute. The Township's contribution to the fund for firefighters was \$339,178, \$290,918, and \$231,061 for the year ended December 31, 2005, 2004, and 2003, respectively. The full amount has been contributed for 2004 and 2003. 69.14% has been contributed for 2005.

NOTE 8 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 local government employer contribution rate was 13.55% of covered payroll; 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factoring ranging from 1 to 6 percent annually for the next eight years and four percent annually after eight years.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 8 - POSTRETIREMENT BENEFIT PLANS – (Continued)

A. Ohio Public Employees Retirement System – (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109 and \$369,885 for 2005 and 2004, respectively. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$25,764 and \$26,171 for 2004. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Members and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Post employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the post employment health care program during 2005. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 8 - POSTRETIREMENT BENEFIT PLANS – (Continued)

B. Ohio Police and Fire Pension Fund

The Township's actual contributions for 2005 and 2004 that were used to fund post employment benefits were \$109,554 and \$93,942 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

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 \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000, 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.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 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.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 2005 and 2006:

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 9 - RISK MANAGEMENT (Continued)

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$ 30,687,203	\$ 27,792,223
Liabilities	<u>(13,640,962)</u>	<u>(11,791,300)</u>
Retained earnings	<u>\$ 17,046,241</u>	<u>\$ 16,000,923</u>
<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$ 7,799,073	\$ 6,791,060
Liabilities	<u>(753,906)</u>	<u>(750,956)</u>
Retained earnings	<u>\$ 7,045,167</u>	<u>\$ 6,040,104</u>

NOTE 10 - CONTINGENCIES

LITIGATION

There was no pending litigation against the Township at year end.

NOTE 11 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2005 and 2004, consisted of the following, as reported on the fund financial statements:

<u>Transfers from General Fund to:</u>	<u>2005</u>	<u>2004</u>
Swimming Pool Bond Retirement	\$ 132,613	\$ 148,206
Capital Fire Equipment	270,912	-
Nonmajor Governmental Funds	-	52,000
<u>Transfers from Fire District to:</u>		
Capital Fire Equipment	<u>50,000</u>	<u>50,000</u>
	<u>\$ 453,525</u>	<u>\$ 250,206</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 5705.15.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

NOTE 12 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance – Budget and Actual (Budgetary Basis) presented for the general fund and Fire District fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). At December 31, 2005, the encumbrances outstanding at year end (budgetary basis) amounted to \$20,132 for the general fund and \$9,859 for the Fire District fund. At December 31, 2004, the encumbrances outstanding at year end (budgetary basis) amounted to \$8,915 for the general fund and \$27,425 for the Fire District fund.

NOTE 13 – JOINT VENTURE

The Township participates in the joint venture of the Metropolitan Emergency Communication Consortium. The Consortium provides emergency dispatching services to member entities. The Township pays \$97,236 annually to receive member services. The Consortium is comprised of Plain Township, Mifflin Township, and Jefferson Township. The Township appoints one member to serve on the Board of the Consortium. Financial information may be obtained by contacting Mifflin Township at 155 Olde Ridenour Road Gahanna, OH 43230.

NOTE 14 – SUBSEQUENT EVENTS:

On April 18, 2006 the Township passed a resolution to enter into to support and enter into the joint venture of the New Albany Performing Arts Center. From this resolution the Village of New Albany made a three million dollar contribution to the Center on behalf of the Township from an area tax increment financing agreement.



Auditor of State Betty Montgomery

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

Plain Township
Franklin County
39 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 years ended December 31, 2005 and December 31, 2004, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 31, 2006, wherein we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated July 31, 2006, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

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*. In a separate letter to the Township's management dated July 31, 2006, we reported other matters related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Plain Township
Franklin County
Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 31, 2006



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

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Facsimile 614-466-4490

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
DECEMBER 19, 2006**