

**Mary Taylor, CPA**  
Auditor of State



PLAIN TOWNSHIP  
FRANKLIN COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Franklin County, Ohio, (the Township) as of and for the year ended December 31, 2008, 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 an opinion 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 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, 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Fire District, and FEMA Funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2009, 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.

We conducted our audit to opine on the financial statements that collectively comprise the Township's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Mary Taylor, CPA**  
Auditor of State

September 18, 2009

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008 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 2008 are as follows:

- For 2008, the total net assets of the Township decreased \$172,419 or 3.58%.
- For 2008, general cash receipts accounted for \$4,222,659 or 70.78% of total governmental activities cash receipts, program specific cash receipts accounted for \$1,743,439 or 29.22% of total governmental activities.
- For 2008, the Township had \$6,138,517 in cash disbursements related to governmental activities; \$1,743,439 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$4,222,659 were not adequate to provide for these programs.
- The Township's major funds are the General Fund, the Fire District Fund, and the FEMA Fund. The General Fund, one of the Township's major funds, had cash receipts of \$1,118,104 in 2008. The cash disbursements and other financing disbursements of the General Fund, totaled \$943,705 in 2008. The General Fund's fund balance increased \$174,399 from 2007 to 2008.
- The Fire District Fund, a Township major fund, had cash receipts and other financing receipts of \$3,156,134 in 2008. The Fire District Fund had cash disbursements and other financing disbursements of \$3,763,586 in 2008. The Fire District Fund balance decreased \$607,452 from 2007 to 2008.
- The FEMA Fund, a Township major fund, had cash receipts of \$756,619 in 2008. The FEMA Fund had cash disbursements and other financing disbursements of \$561,198 in 2008. The FEMA Fund balance increased \$195,421 from 2007 to 2008.

**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 three major governmental funds. The General Fund, Fire District Fund, and FEMA Fund are the Township's major funds.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

**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 2008?" These statements include only net assets using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

In the Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis, the Governmental Activities include the Township's programs and services, including police and fire protection, road and bridge maintenance and repair, and ambulance services.

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

***Fund Financial Statements***

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

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



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

***Governmental Funds***

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

The 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, Fire District Fund, and FEMA Fund are presented to demonstrate the Township's compliance with annually adopted budgets.

***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.

***Notes to the Basic 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.

***Government-Wide Financial Analysis***

Recall that the Statement of Net Assets - Cash Basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net assets at December 31, 2008 and 2007.

	Net Assets	
	Governmental Activities	
	2008	2007
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 4,647,715	\$ 4,820,134
Total assets	4,647,715	4,820,134
<u>Net Assets</u>		
Restricted	3,460,051	3,806,869
Unrestricted	1,187,664	1,013,265
Total net cash assets	\$ 4,647,715	\$ 4,820,134

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

For 2008, net assets of the Township decreased \$172,419 or 3.58%. The balance of government-wide unrestricted net cash assets of \$1,187,664 at December 31, 2008 may be used to meet the Township's ongoing obligations to citizens and creditors.

The table below shows the changes in net assets for years 2008 and 2007.

	<b>Change in Net Cash Assets</b>	
	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services and sales	\$ 738,622	\$ 613,482
Operating grants and contributions	284,770	113,156
Capital grants and contributions	<u>720,047</u>	<u>-</u>
Total program cash receipts	<u>1,743,439</u>	<u>726,638</u>
General cash receipts:		
Property and other taxes	3,449,139	3,614,034
Unrestricted grants	586,277	895,947
Investment earnings	107,312	241,481
Other	<u>79,931</u>	<u>187,578</u>
Total general cash receipts	<u>4,222,659</u>	<u>4,939,040</u>
Total cash receipts	<u>5,966,098</u>	<u>5,665,678</u>
<b>Cash Disbursements:</b>		
Current:		
General government	735,210	715,141
Public safety	3,826,310	3,204,547
Public works	140,652	164,578
Health	63,651	54,143
Conservation and recreation	364,451	350,664
Miscellaneous	26,552	-
Capital outlay	842,241	660,622
Debt service:		
Principal retirement	70,000	235,000
Interest and fiscal charges	<u>69,450</u>	<u>78,110</u>
Total cash disbursements	<u>6,138,517</u>	<u>5,462,805</u>
Change in net assets	(172,419)	202,873
Net assets at beginning of year	<u>4,820,134</u>	<u>4,617,261</u>
Net assets at end of year	<u>\$ 4,647,715</u>	<u>\$ 4,820,134</u>

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

**Governmental Activities**

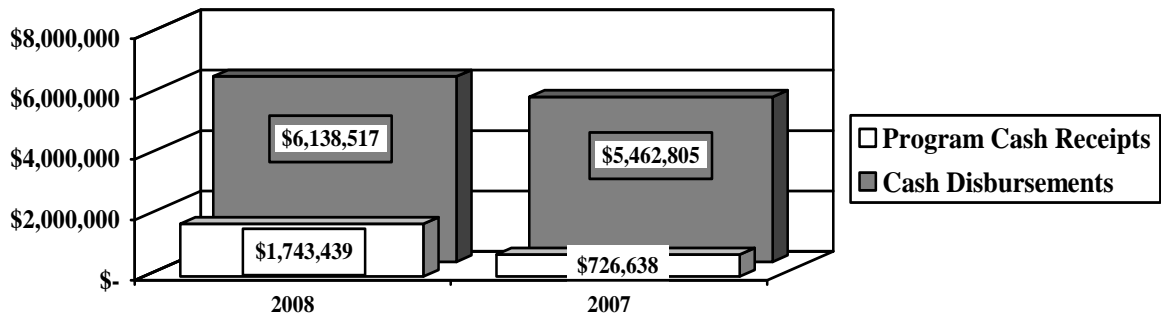
Governmental cash assets decreased by \$172,419 or 3.58% in 2008 from 2007 due to no significant change in governmental activities.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2008, general government cash disbursements totaled \$735,210, or 11.98% of total governmental cash disbursements. General government programs were supported by \$18,580 in direct charges to users for services.

In 2008, the public safety programs accounted for \$3,826,310 or 62.33% of total governmental cash disbursements. These operations are primarily supported through taxes.

The Statement of Activities - Cash Basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

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



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

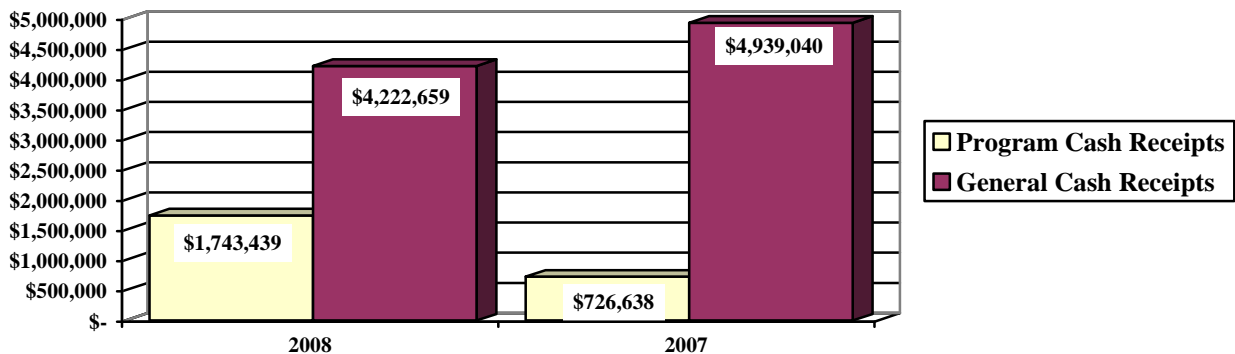
The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Cash disbursements:				
Current:				
General government	\$ 735,210	\$ 716,630	\$ 715,141	\$ 705,612
Public safety	3,826,310	3,388,615	3,204,547	2,998,303
Public works	140,652	25,531	164,578	51,422
Health	63,651	27,627	54,143	31,924
Conservation	364,451	(14,949)	350,664	(24,826)
Miscellaneous	26,552	(10,020)	-	-
Capital outlay	842,241	122,194	660,622	660,622
Debt service:				
Principal retirement	70,000	70,000	235,000	235,000
Interest and fiscal charges	69,450	69,450	78,110	78,110
<b>Total</b>	<b><u>\$ 6,138,517</u></b>	<b><u>\$ 4,395,078</u></b>	<b><u>\$ 5,462,805</u></b>	<b><u>\$ 4,736,167</u></b>

The dependence upon general cash receipts for governmental activities is apparent with 71.60% and 86.70% of cash disbursements supported through taxes and other general cash receipts during 2008 and 2007, respectively.

The graph below presents the Township's governmental receipts for 2008 and 2007.

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Township'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 YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

**Governmental Funds**

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

At December 31, 2008, the Township's governmental funds reported a combined fund balance of \$4,647,715, which is \$172,419 below 2007 total of \$4,820,134. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2008 and 2007 for all major and nonmajor governmental funds.

	<u>Fund Balance December 31, 2008</u>	<u>Fund Balance December 31, 2007</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General	\$ 1,185,648	\$ 1,011,249	\$ 174,399
Fire District	1,562,244	2,169,696	(607,452)
FEMA	195,421	-	195,421
Nonmajor funds	<u>1,704,402</u>	<u>1,639,189</u>	<u>65,213</u>
Total	<u>\$ 4,647,715</u>	<u>\$ 4,820,134</u>	<u>\$ (172,419)</u>

**General Fund**

The General Fund had cash receipts of \$1,118,104 in 2008. The cash disbursements and other financing uses of the General Fund totaled \$943,705 in 2008. The General Fund's balance increased \$174,399 from 2007 to 2008.

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

	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase/ (Decrease)</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 699,612	\$ 722,952	\$ (23,340)
Intergovernmental	288,222	591,620	(303,398)
License, permits and fees	18,580	9,529	9,051
Investment income	89,805	197,787	(107,982)
Other	<u>21,885</u>	<u>1,994</u>	<u>19,891</u>
Total	<u>\$ 1,118,104</u>	<u>\$ 1,523,882</u>	<u>\$ (405,778)</u>

Taxes decreased due to a smaller value of assessed property value. Investment income cash receipts decreased due to lower interest earnings on investments. Intergovernmental income decreased due to less grants received from other governments.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

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

	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase/ (Decrease)</u>
<b><u>Cash Disbursements</u></b>			
General government	\$ 735,210	\$ 715,141	\$ 20,069
Public safety	82,724	21,837	60,887
Health	19,225	17,669	1,556
Conservation and recreation	2,634	-	2,634
Capital outlay	<u>27,866</u>	<u>389,771</u>	<u>(361,905)</u>
Total	<u>\$ 867,659</u>	<u>\$ 1,144,418</u>	<u>\$ (276,759)</u>

General government increased due to increased spending by the Township. The decrease in capital outlay is due mainly to the purchase of 2.1 acres of land at a cost of \$631,000 adjacent to the fire house for future expansion and parking in 2007.

***Fire District Fund***

The Fire District Fund, a Township major fund, had cash receipts and other financing sources of \$3,156,134 in 2008. The fire district fund had cash disbursements and other financing uses of \$3,763,586 in 2008. The Fire District Fund balance decreased \$607,452 or 28.00% from 2007 to 2008. The decrease is mostly due to higher personnel expenses from the hiring of additional firefighters in 2008.

***FEMA Fund***

The FEMA Fund, a Township major fund, had cash receipts of \$756,619 in 2008. The FEMA Fund had cash disbursements and other financing uses of \$561,198 in 2008. The FEMA Fund balance increased \$195,421 from 2007 to 2008. The FEMA Fund was a new grant funding source for the Township for 2008.

***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 2008, final budget basis receipts of \$1,068,872 were \$19,000 greater than original budget receipts of \$1,049,872. Actual cash receipts of \$1,118,104 were greater than final budget basis receipts by \$49,232. The final budgetary basis disbursements and other financing disbursements of \$1,201,407 were \$56,552 greater than original budget receipts of \$1,144,855. Actual budgetary basis disbursements and other financing disbursements of \$957,770 were less than final budget estimates by \$243,637.

**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 \$842,241 and \$660,622 during 2008 and 2007, respectively.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Unaudited)**

***Debt Administration***

The Township had the following debt outstanding at December 31, 2008 or 2007:

	<u>Governmental Activities 2008</u>	<u>Governmental Activities 2007</u>
Current Interest Bonds - Swimming Pool	\$ 1,675,000	\$ 1,745,000
Capital Appreciation Bonds - Swimming Pool	<u>197,932</u>	<u>190,475</u>
Total long-term obligations	<u>\$ 1,872,932</u>	<u>\$ 1,935,475</u>

**Current Financial Related Activities**

The following economic factors were taken into consideration in preparing the budget for 2009:

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 an estimated 10% in the State budget. These funds represented 40 % of the Township's General Fund revenues in 2008. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2009. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.5mil fire levy for collection in 2008 and payment in 2009 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 5 years.

These economic factors were considered in preparing the Township's budget for 2009. 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 2<sup>nd</sup> Street, New Albany, Ohio, 43054.

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**PLAIN TOWNSHIP  
FRANKLIN COUNTY  
STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2008**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 4,647,715
Total assets. . . . .	4,647,715
<b>Net cash assets:</b>	
Restricted for:	
Public safety. . . . .	1,562,244
Public works. . . . .	520,785
Health and human services . . . . .	273,290
Street maintenance and construction . . . . .	458,461
Conservation and recreation. . . . .	163,376
Capital projects . . . . .	481,895
Unrestricted . . . . .	1,187,664
Total net cash assets . . . . .	\$ 4,647,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PLAIN TOWNSHIP  
FRANKLIN COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Cash Receipts				Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Current:					
General government . . . . .	\$ 735,210	\$ 18,580	\$ -	\$ -	\$ (716,630)
Public safety . . . . .	3,826,310	304,618	133,077	-	(3,388,615)
Public works . . . . .	140,652	-	115,121	-	(25,531)
Health . . . . .	63,651	36,024	-	-	(27,627)
Conservation and recreation . . . . .	364,451	379,400	-	-	14,949
Miscellaneous . . . . .	26,552	-	36,572	-	10,020
Capital outlay . . . . .	842,241	-	-	720,047	(122,194)
Debt service:					
Principal retirement . . . . .	70,000	-	-	-	(70,000)
Interest and fiscal charges . . . . .	69,450	-	-	-	(69,450)
<b>Total governmental activities . . . . .</b>	<b>\$ 6,138,517</b>	<b>\$ 738,622</b>	<b>\$ 284,770</b>	<b>\$ 720,047</b>	<b>(4,395,078)</b>

**General Receipts:**

Property and other taxes levied for:

General purposes . . . . .	699,612
Public safety - Fire district . . . . .	2,491,985
Road and bridge improvements . . . . .	164,112
Debt service . . . . .	79
Capital projects - Fire equipment . . . . .	93,351
Grants and entitlements not restricted to specific programs . . . . .	586,277
Investment receipts . . . . .	107,312
Miscellaneous . . . . .	79,931
<b>Total general receipts . . . . .</b>	<b>4,222,659</b>
Change in net assets . . . . .	(172,419)
<b>Net assets at beginning of year . . . . .</b>	<b>4,820,134</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 4,647,715</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	<u>General</u>	<u>Fire District</u>	<u>FEMA</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 1,185,648	\$ 1,562,244	\$ 195,421	\$ 1,704,402	\$ 4,647,715
Total assets . . . . .	<u>\$ 1,185,648</u>	<u>\$ 1,562,244</u>	<u>\$ 195,421</u>	<u>\$ 1,704,402</u>	<u>\$ 4,647,715</u>
<b>Fund balances:</b>					
Reserved for encumbrances. . . . .	\$ 14,065	\$ 14,110	\$ -	\$ 27,364	\$ 55,539
Unreserved, undesignated, reported in:					
General fund. . . . .	1,171,583	-	-	-	1,171,583
Special revenue funds . . . . .	-	1,548,134	195,421	1,196,340	2,939,895
Permanent fund . . . . .	-	-	-	2,016	2,016
Capital projects funds . . . . .	-	-	-	478,682	478,682
Total fund balances . . . . .	<u>\$ 1,185,648</u>	<u>\$ 1,562,244</u>	<u>\$ 195,421</u>	<u>\$ 1,704,402</u>	<u>\$ 4,647,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Fire District	FEMA	Other Governmental Funds	Total Governmental Funds
<b>Cash receipts:</b>					
Taxes . . . . .	\$ 699,612	\$ 2,491,985	\$ -	\$ 257,542	\$ 3,449,139
Intergovernmental . . . . .	288,222	279,976	756,619	266,277	1,591,094
Charges for services . . . . .	-	304,618	-	398,951	703,569
License, permits and fees . . . . .	18,580	-	-	16,473	35,053
Interest . . . . .	89,805	-	-	17,507	107,312
Contributions and donations . . . . .	-	240	-	-	240
Miscellaneous . . . . .	21,885	50,852	-	6,954	79,691
Total cash receipts . . . . .	<u>1,118,104</u>	<u>3,127,671</u>	<u>756,619</u>	<u>963,704</u>	<u>5,966,098</u>
<b>Cash disbursements:</b>					
Current:					
General government . . . . .	735,210	-	-	-	735,210
Public safety . . . . .	82,724	3,743,586	-	-	3,826,310
Public works . . . . .	-	-	-	140,652	140,652
Health . . . . .	19,225	-	-	44,426	63,651
Conservation and recreation . . . . .	2,634	-	-	361,817	364,451
Miscellaneous . . . . .	-	-	26,552	-	26,552
Capital outlay . . . . .	27,866	-	500,998	313,377	842,241
Debt service:					
Principal retirement . . . . .	-	-	-	70,000	70,000
Interest and fiscal charges . . . . .	-	-	-	69,450	69,450
Total cash disbursements . . . . .	<u>867,659</u>	<u>3,743,586</u>	<u>527,550</u>	<u>999,722</u>	<u>6,138,517</u>
Excess (deficiency) of cash receipts over (under) cash disbursements . . . . .	250,445	(615,915)	229,069	(36,018)	(172,419)
<b>Other financing receipts (disbursements):</b>					
Transfers in . . . . .	-	28,463	-	194,062	222,525
Transfers out . . . . .	(76,046)	(20,000)	(33,648)	(92,831)	(222,525)
Total other financing receipts (disbursements) . . . . .	<u>(76,046)</u>	<u>8,463</u>	<u>(33,648)</u>	<u>101,231</u>	<u>-</u>
Net change in fund balances . . . . .	174,399	(607,452)	195,421	65,213	(172,419)
<b>Fund balances</b>					
at beginning of year . . . . .	1,011,249	2,169,696	-	1,639,189	4,820,134
Fund balances at end of year . . . . .	<u>\$ 1,185,648</u>	<u>\$ 1,562,244</u>	<u>\$ 195,421</u>	<u>\$ 1,704,402</u>	<u>\$ 4,647,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Receipts:</b>				
Taxes . . . . .	\$ 656,919	\$ 668,807	\$ 699,612	\$ 30,805
Intergovernmental . . . . .	270,633	275,531	288,222	12,691
License, permits and fees . . . . .	17,446	17,762	18,580	818
Interest . . . . .	84,325	85,851	89,805	3,954
Miscellaneous . . . . .	20,549	20,921	21,885	964
Total receipts . . . . .	<u>1,049,872</u>	<u>1,068,872</u>	<u>1,118,104</u>	<u>49,232</u>
<b>Disbursements:</b>				
Current:				
General government . . . . .	828,855	876,350	749,275	127,075
Public safety . . . . .	72,000	142,188	82,724	59,464
Health . . . . .	67,750	67,750	19,225	48,525
Conservation and recreation . . . . .	35,800	37,500	2,634	34,866
Capital outlay . . . . .	1,000	1,000	27,866	(26,866)
Total disbursements . . . . .	<u>1,005,405</u>	<u>1,124,788</u>	<u>881,724</u>	<u>243,064</u>
Excess (deficiency) of receipts over (under) disbursements . . . . .	<u>44,467</u>	<u>(55,916)</u>	<u>236,380</u>	<u>292,296</u>
<b>Other financing disbursements:</b>				
Transfers out . . . . .	(139,450)	(76,619)	(76,046)	573
Total other financing disbursements . . . . .	<u>(139,450)</u>	<u>(76,619)</u>	<u>(76,046)</u>	<u>573</u>
Net change in fund balance . . . . .	(94,983)	(132,535)	160,334	292,869
<b>Fund balance at beginning of year . . . . .</b>	989,644	989,644	989,644	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>21,605</u>	<u>21,605</u>	<u>21,605</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 916,266</u>	<u>\$ 878,714</u>	<u>\$ 1,171,583</u>	<u>\$ 292,869</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Receipts:</b>				
Taxes . . . . .	\$ 2,283,138	\$ 2,470,631	\$ 2,491,985	\$ 21,354
Intergovernmental . . . . .	256,512	277,577	279,976	2,399
Charges for services . . . . .	279,089	302,008	304,618	2,610
Contributions and donations . . . . .	220	238	240	2
Miscellaneous . . . . .	46,590	50,416	50,852	436
Total receipts . . . . .	<u>2,865,549</u>	<u>3,100,870</u>	<u>3,127,671</u>	<u>26,801</u>
<b>Disbursements:</b>				
Current:				
Public safety . . . . .	3,957,248	4,003,248	3,757,696	245,552
Total disbursements . . . . .	<u>3,957,248</u>	<u>4,003,248</u>	<u>3,757,696</u>	<u>245,552</u>
Excess of disbursements over receipts . . . . .	<u>(1,091,699)</u>	<u>(902,378)</u>	<u>(630,025)</u>	<u>272,353</u>
<b>Other financing receipts (disbursements):</b>				
Transfers in . . . . .	26,078	28,219	28,463	244
Transfers out . . . . .	(20,000)	(20,000)	(20,000)	-
Total other financing receipts (disbursements) . . . . .	<u>6,078</u>	<u>8,219</u>	<u>8,463</u>	<u>244</u>
Net change in fund balance . . . . .	(1,085,621)	(894,159)	(621,562)	272,597
<b>Fund balance at beginning of year . . . . .</b>	<u>2,169,696</u>	<u>2,169,696</u>	<u>2,169,696</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,084,075</u>	<u>\$ 1,275,537</u>	<u>\$ 1,548,134</u>	<u>\$ 272,597</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FEMA FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Receipts:</b>				
Intergovernmental . . . . .	\$ 886,357	\$ 588,211	\$ 756,619	\$ 168,408
Total receipts . . . . .	<u>886,357</u>	<u>588,211</u>	<u>756,619</u>	<u>168,408</u>
<b>Disbursements:</b>				
Current:				
Miscellaneous . . . . .	107,147	26,552	26,552	-
Capital outlay . . . . .	-	500,998	500,998	-
Total disbursements . . . . .	<u>107,147</u>	<u>527,550</u>	<u>527,550</u>	<u>-</u>
Excess of receipts over disbursements . . . . .	<u>779,210</u>	<u>60,661</u>	<u>229,069</u>	<u>168,408</u>
<b>Other financing disbursements:</b>				
Transfers out . . . . .	-	(60,661)	(33,648)	27,013
Total other financing disbursements . . . . .	<u>-</u>	<u>(60,661)</u>	<u>(33,648)</u>	<u>27,013</u>
Net change in fund balance . . . . .	779,210	-	195,421	195,421
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 779,210</u>	<u>\$ -</u>	<u>\$ 195,421</u>	<u>\$ 195,421</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUND  
DECEMBER 31, 2008**

	<b>Private-Purpose Trust</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 3,192
Total assets. . . . .	3,192
 <b>Net assets:</b>	
Held in trust for other purposes . . . . .	3,192
Total net assets . . . . .	\$ 3,192

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



PLAIN TOWNSHIP  
FRANKLIN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

	<u>Private-Purpose Trust</u>
Net assets at beginning of year . . . . .	<u>\$ 3,192</u>
Net assets at end of year . . . . .	<u><u>\$ 3,192</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 1 - DESCRIPTION OF THE TOWNSHIP**

The Plain Township, Franklin County, Ohio (the "Township") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees.

The Township provides the following services: fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services. The Township contracts with Mifflin Township through its Metropolitan Emergency Communication Consortium (MECC) for emergency dispatching services. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

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

**A. Reporting Entity**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

New Albany - Plain Local Joint Park District

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

*JOINTLY GOVERNED ORGANIZATIONS – (Continued)*

Rocky Fork-Blacklick Accord

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

*JOINT VENTURE*

New Albany Performing Arts Center

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

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

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

*PUBLIC ENTITY RISK POOL*

Ohio Township Association Risk Management Authority

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

**B. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets 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.

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

**C. Fund Accounting**

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

**Governmental Funds** - The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other 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 Fund - This fund is used to account for all financial activities of the fire operations.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

FEMA Fund - This fund is used to account for grants received from the Federal Emergency Management Agency used to assist the fire district fund and road district fund.

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

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

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

**D. Basis of Accounting**

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

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

**E. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the 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). Contrary to Ohio Rev. Code the Capital Outlay line item in the General Fund expended \$26,866 more than appropriated.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

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

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

**F. Cash and 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 2008, investments were limited to nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on December 31, 2008.

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 2008 were \$89,805 which includes \$64,921 assigned from other Township funds.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

**I. 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.

**J. 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.

**K. 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.

**L. Long-term Obligations**

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

**M. 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.

**N. 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.

**O. 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. Interfund transfers between government funds are eliminated for reporting in the statement of activities.



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

**P. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2008, the Township has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the Township; however, certain disclosures related to postemployment benefits (see Note 8) have been modified to conform to the new reporting requirements.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 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 monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

**A. Deposits with Financial Institutions**

At December 31, 2008, the carrying amount of all Township deposits was \$2,764,382. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$2,022,950 of the Township's bank balance of \$2,778,188 was exposed to custodial risk as discussed below, while \$755,238 was covered by the Federal Deposit Insurance Corporation.

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

**B. Investments**

As of December 31, 2008, the Township had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturity</u> 6 months or less
STAR Ohio	\$ 1,886,525	\$ 1,886,525

*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.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*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, 2008:

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	<u>\$ 1,886,525</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets - cash basis as of December 31, 2008:

<u>Cash and investments per note</u>		
Carrying amount of deposits	\$	2,764,382
Investments		<u>1,886,525</u>
Total	\$	<u>4,650,907</u>
<u>Cash and investments per statement of net assets</u>		
Governmental activities	\$	4,647,715
Private purpose trust		<u>3,192</u>
Total	\$	<u>4,650,907</u>

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Township. Real property taxes and public utility taxes are levied after October 1 on the assessed value as of the prior January 1, the tax lien date. Assessed values are established by State law at 35 percent of appraised market value, as established by the County Auditor. All real property is required to be revalued every six years. Real property taxes are payable annually or semiannually. The first payment for 2008 was due December 31, with the remainder payable June 20.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Township due to the phasing out of the tax. In calendar years 2008-2010, the Township will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**NOTE 5 - PROPERTY TAX - (Continued)**

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

The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

	<u>2008</u>
Real property tax	\$ 654,061,230
Public utility tangible personal property	15,383,170
Tangible personal property	<u>657,120</u>
 Total assessed valuation	 <u>\$ 670,101,520</u>

**NOTE 6 - DEBT OBLIGATIONS**

Transactions for the year ended December 31, 2008 is summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2007</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2008</u>
Current Interest Bonds - Pool (1.50-3.00%)	1,745,000	-	(70,000)	1,675,000
Capital Appreciation Bonds - Pool (13.054%)	<u>190,475</u>	<u>7,457</u>	<u>-</u>	<u>197,932</u>
Total	<u>\$ 1,935,475</u>	<u>\$ 7,457</u>	<u>\$ (70,000)</u>	<u>\$ 1,872,932</u>

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2008, are as follows:

Fiscal Year Ending December 31,	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 70,000	\$ 67,875	\$ -	\$ -
2010	75,000	66,125	-	-
2011	75,000	64,063	-	-
2012	-	61,812	26,338	53,662
2013	-	61,812	23,208	56,792
2014 - 2018	335,000	290,148	20,452	59,568
2019 - 2023	500,000	202,335	-	-
2024 - 2028	<u>620,000</u>	<u>85,060</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,675,000</u>	<u>\$ 899,230</u>	<u>\$ 69,998</u>	<u>\$ 170,022</u>

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

**NOTE 7 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The Township's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Township's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The Township's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the Township's pension contributions were 10.40% of covered payroll. The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$58,342, \$63,690, and \$62,247, respectively; 92.10% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

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

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the Township is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the Township's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The Township's required contributions for pension obligations to OP&F for firefighters were \$330,292 for the year ended December 31, 2008, \$276,454 for the year ended December 31, 2007, and \$245,460 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 69.00% has been contributed for firefighters for 2008.

**NOTE 8 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$58,342, \$41,951, and \$30,447, respectively; 92.10% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

OPEB is advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. The amount of \$12.8 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2007. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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



**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

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

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

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

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code. The number of participants eligible to receive health care benefits as of 12/31/07, the date of the last actuarial valuation available, are 14,295 for Police and 10,583 for Firefighters. OP&F's total health care expense for the year ending 12/31/07, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875.

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

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$129,245 for the year ended December 31, 2008, \$131,847 for the year ended December 31, 2007 and \$117,066 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 69.00% has been contributed for firefighters for 2008.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**NOTE 9 - RISK MANAGEMENT**

**Risk Pool Membership**

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

Casualty Coverage

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

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

Property Coverage

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

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, 2007 and 2006 (the latest information available):

<u>Casualty Coverage</u>	<u>2007</u>	<u>2006</u>
Assets	\$ 43,210,703	\$ 42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Retained earnings	<u>\$ 29,852,866</u>	<u>\$ 29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$25,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<b><u>Contributions to OTARMA</u></b>	
2008	\$27,000

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**NOTE 10 - CONTINGENCIES**

**LITIGATION**

The Township is party to legal proceedings. The Township management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the Township.

**GRANTS**

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2008.

**NOTE 11 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended December 31, 2008, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	\$ 76,046
<u>Transfers from nonmajor governmental funds to:</u>	
Nonmajor governmental funds	92,831
<u>Transfers from fire district fund to:</u>	
Nonmajor governmental funds	20,000
<u>Transfers from FEMA fund to:</u>	
Fire district fund	28,463
Nonmajor governmental funds	<u>5,185</u>
Total	<u>\$ 222,525</u>

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(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 receipts, disbursements and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual (Budgetary Basis) presented for the General Fund, Fire District Fund and FEMA 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 is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). At December 31, 2008, the encumbrances outstanding at year end (budgetary basis) amounted to \$14,065 for the general fund and \$14,110 for the fire district fund (there were no encumbrances outstanding for the FEMA fund).

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**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Cash Expenditures
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>		
<i>Direct from the Federal Emergency Management Agency</i>		
Assistance to Firefighters Grant	97.044	\$ 604,278
Disaster Grants, Public Assistance	97.306	5,185
Total U.S. Department of Homeland Security		<b><u>609,463</u></b>
<b>Totals</b>		<b><u>\$ 609,463</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Township's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require that the Township contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.





# Mary Taylor, CPA

## Auditor of State

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

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Plain Township, Franklin County, Ohio, (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain internal control matters that we reported to the Township's management in a separate letter dated September 18, 2009.

#### **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*.

We did note a certain instance of noncompliance or other matters that we reported to the Township's management in a separate letter dated September 18, 2009.

We intend this report solely for the information and use of management, Township Board of Trustees, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 18, 2009



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Trustees:

#### Compliance

We have audited the compliance of Plain Township, Franklin County, Ohio, (the Township) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the Township's major federal program. The Township's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, Plain Township complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

#### Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to administer a federal program such that there is more than a remote likelihood that the Township's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Township's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of management, Township Board of Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 18, 2009

**PLAIN TOWNSHIP  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<ul style="list-style-type: none"> <li>• <u>Assistance to Firefighters</u> FEMA CFDA # 97.004</li> </ul>
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$3,000,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

PLAIN TOWNSHIP  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Financial Reporting	No	Partially Corrected – re-issued in management letter.



Mary Taylor, CPA  
Auditor of State

PLAIN TOWNSHIP  
FRANKLIN COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 1, 2009