



Dave Yost · Auditor of State



**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Prairie Township  
Franklin County  
23 Maple Drive  
Columbus, Ohio 43228

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 Prairie Township, Franklin County, Ohio (the Township), as of and for the year ended December 31, 2010 and 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code 117.101 requires the Auditor of State to audit Ohio governments. 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 Prairie Township, Franklin County, Ohio, as of December 31, 2010 and 2009, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Fire, South Greener Improvement Funds thereof for the years 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 August 2, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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



**Dave Yost**  
Auditor of State

August 2, 2011

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

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This discussion and analysis of Prairie Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2010 and 2009 within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Highlights**

Key highlights for 2010 and 2009 are as follows:

For fiscal year 2010 net assets of governmental activities decreased \$258,999 or 3.7%. For fiscal year 2009 net assets of governmental activities decreased \$225,973 or 3.2%.

For fiscal year 2010, general cash receipts, including contributions to permanent fund, accounted for \$5,275,483 or 70.5% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$2,208,986 or 29.5% of total governmental activities cash receipts. For fiscal year 2009, general cash receipts, including contributions to permanent fund, accounted for \$5,776,688 or 70.7% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$2,397,226 or 29.3% of total governmental activities cash receipts.

For fiscal year 2010, the Township had \$7,743,468 in cash disbursements related to governmental activities: \$2,208,986 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes) of \$5,274,934 were not adequate to provide for these programs. For fiscal year 2009, the Township had \$8,399,887 in cash disbursements related to governmental activities: \$2,397,226 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes) of \$5,776,688 were not adequate to provide for these programs.

The Township's major funds are General and Fire funds for 2010 and General, Fire, and South Grener Road funds for 2009. The General fund, the Township's largest major fund, had cash receipts and other financing sources of \$1,549,178 and \$1,609,784 in 2010 and 2009 respectively. The General Fund had cash disbursements of \$1,706,989 and \$1,869,408 for 2010 and 2009 respectively. The General fund's cash balance decreased \$157,811 from 2009 to 2010 and decreased \$259,624 from 2008 to 2009.

The Fire fund, a major Township fund, had cash receipts and other financing sources of \$3,827,946 and \$3,844,291 in 2010 and 2009, respectively. The Fire fund had cash disbursements of \$4,021,473 and \$3,795,739 in 2010 and 2009, respectively. The Fire fund's cash balance decreased \$193,527 from 2009 to 2010 and increased \$48,552 from 2008 to 2009.

The South Grener Road fund, a major Township fund for 2009, had cash receipts of \$851,608. The South Grener Road fund had cash disbursements of \$851,608 in 2009.

**Using the Cash Basis Financial Statements**

This cash basis annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Township as a Whole**

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

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2010 and 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the Statement of Net Assets and the Statement of Activities:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

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

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into three categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General and Fire funds in 2010 and the General, Fire, and Grener Road funds in 2009. Since the Township is reporting on the cash basis of accounting, there are no differences in Net Assets and fund cash balances of changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

**Notes to the Financial Statements**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2010 compared to 2009 on a cash basis:

<b>Net Cash Assets</b>			
<b>Assets</b>	<b>Governmental Activities</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
Cash and Cash Equivalents	\$6,669,662	\$6,928,661	\$7,154,634
Total Assets	<u>6,669,662</u>	<u>6,928,661</u>	<u>7,154,634</u>
<b>Net Assets</b>			
Restricted for:			
Capital Projects	4,589		
Permanent Fund Purpose			
Nonexpendable	2,000	2,000	
Other Purposes	1,500,782	1,606,558	1,574,907
Unrestricted	<u>5,162,291</u>	<u>5,320,103</u>	<u>5,579,727</u>
Total Net Assets	<u>\$6,669,662</u>	<u>\$6,928,661</u>	<u>\$7,154,634</u>

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

As mentioned previously, net assets of governmental activities decreased \$258,999 during 2010 and \$225,973 during 2009 due to a decline in tax and grant revenues.

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities.

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		
	2010	2009	2008
<b>Receipts:</b>			
Program Receipts:			
Charges for Services and Sales	\$974,298	\$889,194	\$783,979
Operating Grants and Contributions	759,219	710,117	686,792
Capital Grants and Contributions	475,469	797,915	1,027,388
<b>Total Program Receipts</b>	<b>2,208,986</b>	<b>2,397,226</b>	<b>2,498,159</b>
General Receipts:			
Property and Other Local Taxes	3,824,417	3,934,046	3,915,198
Grants and Entitlements Not Restricted			
to Specific Programs	799,069	805,944	920,355
Sale of Fixed Assets	50,624	14,592	-
Proceeds from Loans	198,833	520,675	-
Earnings on Investments	112,450	142,563	230,252
Miscellaneous	126,445	223,360	252,358
Special Assessments	163,645	135,508	118,042
<b>Total General Receipts</b>	<b>5,275,483</b>	<b>5,776,688</b>	<b>5,436,205</b>
<b>Total Receipts</b>	<b>7,484,469</b>	<b>8,173,914</b>	<b>7,934,364</b>
<b>Disbursements:</b>			
General Government	935,689	969,250	960,328
Public Safety	4,632,283	4,364,300	4,348,265
Public Works	1,073,101	1,073,346	1,158,422
Health	143,644	134,479	169,026
Human Services	0	0	-
Conservation-Recreation	5,829	5,192	4,456
Capital Outlay	894,989	1,675,136	1,171,864
Principal Retirement	57,933	175,647	119,312
Interest and Fiscal Charges	0	2,537	9,438
<b>Total Disbursements</b>	<b>7,743,468</b>	<b>8,399,887</b>	<b>7,941,111</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(258,999)</b>	<b>(225,973)</b>	<b>(6,747)</b>
<b>Net Assets at the beginning of the year</b>	<b>6,928,661</b>	<b>7,154,634</b>	<b>7,161,381</b>
<b>Net Assets at the end of the year</b>	<b>\$6,669,662</b>	<b>\$6,928,661</b>	<b>\$7,154,634</b>

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

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Program receipts represent only 29.5 percent and 29.3 percent, for 2010 and 2009 respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

General receipts represent 70.5 percent and 70.7 percent in 2010 and 2009 respectively, of the Township's total receipts, and of this amount, over 72.5 percent and 68.0 percent in 2010 and 2009 respectively are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (15.1 and 14.0 percent in 2010 and 2009 respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of council, and the auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

**Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. For 2010, the major program disbursements for governmental activities are for public safety and public works, which account for 59.8 percent and 13.9 percent of all governmental disbursements, respectively. For 2009, the major program disbursements for governmental activities are for public safety and capital outlay, which account for 52 percent and 20 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 12.1 percent and 11.5 for 2010 and 2009 respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
General Government	\$935,689	\$571,502	\$969,250	\$677,381
Public Safety	4,632,283	3,538,681	4,364,300	3,379,733
Public Works	1,073,101	(27,844)	1,073,346	(2,430)
Health	143,644	97,026	134,479	89,465
Conservation-Recreation	5,829	5,829	5,192	5,192
Capital Outlay	894,989	894,989	1,675,136	1,675,136
Principal Retirement	57,933	57,933	175,647	175,647
Interest and Fiscal Charges	0	0	2,537	2,537
Total Expenses	<u>\$7,743,468</u>	<u>\$5,138,116</u>	<u>\$8,399,887</u>	<u>\$6,002,661</u>

The dependence upon property and income tax receipts is apparent as over 70.5 percent of governmental activities in 2010 and 70.7 percent in 2009 are supported through these general receipts.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

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**The Township's Funds**

In 2010, the total governmental funds had receipts of \$7,484,469 and disbursements of \$7,743,468. In 2009, the total governmental funds had receipts of \$8,173,914 and disbursements of \$8,399,887. The greatest change within governmental funds from 2009 to 2010 occurred within the Fire Fund. The fund balance of the Fire Fund decreased \$193,527. The greatest change with governmental funds from 2008 to 2009 occurred within the General fund. The fund balance of the General fund decreased \$259,624.

**General Fund Budgeting Highlights**

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

In 2010, for the General fund, actual receipts and other sources of \$1,549,178 was \$56,808 higher than the final budgeted receipts. In 2009, for the General fund, actual receipts and other sources of \$1,608,022 was \$57,215 higher than the final budgeted receipts. For 2010, final disbursements and other uses were budgeted at \$2,165,475 while actual disbursements and other uses were \$1,743,352. For 2009, final disbursements and other uses were budgeted at \$2,071,034 while actual disbursements and other uses were \$1,928,831. The result is the decrease in fund balance of \$194,174 for 2010 and the decrease in fund balance of \$319,047 for 2009.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently record its capital assets in the accompanying financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$894,989 and \$1,675,136 for 2010 and 2009, respectively.

**Debt**

At December 31, 2010, the Township's outstanding debt included \$1,092,394 in general obligation bonds issued for improvements to buildings and structures. At December 31, 2009, the Township's outstanding debt included \$762,173. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

**Current Issues**

Changes in State law and funding policies will threaten to create significant revenue shortfalls in the township budget. The Local Government Revenue and Local Government Revenue Assistance Funds will be reduced by 25% in State fiscal year 2012 and by 50% in State fiscal year FY 2013. The elimination of the estate tax and the premature end to the personal property tax replacement funding will add significant financial pressure to the already tight outlook. Combinations of additional spending and service cuts, new revenue sources and shared service programs with neighboring jurisdictions must be identified in order for the township to maintain its financial health.

These economic factors were considered in preparing the Township's budget for fiscal year 2011. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
UNAUDITED**

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**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 reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dan McCardle, Fiscal Officer, 23 Maple Drive, Columbus, Ohio 43228.

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PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

*Statement of Net Assets - Cash Basis*  
*December 31, 2010*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 6,669,662</u>
<i>Total Assets</i>	<u>6,669,662</u>
 <b>Net Assets</b>	
Restricted for:	
Capital Projects	4,589
Permanent Fund Purpose	
Nonexpendable	2,000
Other Purposes	1,500,782
Unrestricted	<u>5,162,291</u>
<i>Total Net Assets</i>	<u>\$ 6,669,662</u>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Activities - Cash Basis  
For the Year Ended December 31, 2010***

	Program Cash Receipts					Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>						
General Government	\$ 935,689	\$ 364,187	\$ -	\$ -	\$ (571,502)	
Public Safety	4,632,283	534,343	559,259	-	(3,538,681)	
Public Works	1,073,101	29,150	199,960	475,469	(368,522)	
Health	143,644	46,618	-	-	(97,026)	
Conservation-Recreation	5,829	-	-	-	(5,829)	
Capital Outlay	894,989	-	-	-	(894,989)	
Debt Service: Principal Retirement	57,933	-	-	-	(57,933)	
Total	<u>\$ 7,743,468</u>	<u>\$ 974,298</u>	<u>\$ 759,219</u>	<u>\$ 475,469</u>		<u>(5,534,482)</u>
<b>General Receipts</b>						
Property Taxes and Other Local Taxes					3,824,417	
Special Assessment					163,645	
Grants and Entitlements not Restricted to Specific Programs					799,069	
Sale of Fixed Assets					50,624	
Proceeds of Loan					198,833	
Earnings on Investments					112,450	
Miscellaneous					126,445	
<i>Total General Receipts</i>					<i>5,275,483</i>	
Change in Net Assets					(258,999)	
<i>Net Assets Beginning of Year</i>					<i>6,928,661</i>	
<i>Net Assets End of Year</i>					<i>\$ 6,669,662</i>	

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2010***

	General	Fire Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,162,292	\$ 539,129	\$ 968,241	\$ 6,669,662
<i>Total Assets</i>	<i>5,162,292</i>	<i>539,129</i>	<i>968,241</i>	<i>6,669,662</i>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	36,363	2,820	1,145,218	1,184,401
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	5,125,929	-	-	5,125,929
Special Revenue Funds	-	536,309	956,515	1,492,824
Capital Projects Funds	-	-	(1,135,492)	(1,135,492)
Permanent Fund	-	-	2,000	2,000
<i>Total Fund Balances</i>	<i>\$ 5,162,292</i>	<i>\$ 539,129</i>	<i>\$ 968,241</i>	<i>\$ 6,669,662</i>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2010***

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	General	Fire Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$ 190,730	\$ 3,237,869	\$ 395,818	\$ 3,824,417
Charges for Services	29,150	-	534,343	563,493
Licenses, Permits and Fees	326,987	-	46,618	373,605
Fines and Forfeitures	37,200	-	-	37,200
Intergovernmental	799,068	559,259	675,429	2,033,756
Special Assessments	12,017	-	151,629	163,646
Earnings on Investment	111,901	-	549	112,450
Miscellaneous	686	30,194	95,565	126,445
<i>Total Receipts</i>	<i>1,507,739</i>	<i>3,827,322</i>	<i>1,899,951</i>	<i>7,235,012</i>
<b>Disbursements</b>				
Current:				
General Government	935,689	-	-	935,689
Public Safety	305,041	3,956,118	371,124	4,632,283
Public Works	88,745	-	984,356	1,073,101
Health	66,065	-	77,579	143,644
Conservation-Recreation	5,829	-	-	5,829
Capital Outlay	-	65,355	829,634	894,989
Debt Service:				
Principal Retirement	-	-	57,933	57,933
Interest and Fiscal Charges	-	-	-	-
<i>Total Disbursements</i>	<i>1,401,369</i>	<i>4,021,473</i>	<i>2,320,626</i>	<i>7,743,468</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>106,370</i>	<i>(194,151)</i>	<i>(420,675)</i>	<i>(508,456)</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	624	50,000	50,624
Proceeds of Loan			198,833	198,833
Transfers In	-	-	285,553	285,553
Transfers Out	(285,553)	-	-	(285,553)
Advances In	41,439	-	20,067	61,506
Advances Out	(20,067)	-	(41,439)	(61,506)
<i>Total Other Financing Sources (Uses)</i>	<i>(264,181)</i>	<i>624</i>	<i>513,014</i>	<i>249,457</i>
<i>Net Change in Fund Balances</i>	<i>(157,811)</i>	<i>(193,527)</i>	<i>92,339</i>	<i>(258,999)</i>
<i>Fund Balances Beginning of Year</i>	<i>5,320,103</i>	<i>732,656</i>	<i>875,902</i>	<i>6,928,661</i>
<i>Fund Balances End of Year</i>	<i>\$ 5,162,292</i>	<i>\$ 539,129</i>	<i>\$ 968,241</i>	<i>\$ 6,669,662</i>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2010***

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>Receipts</b>					
Property and Other Local Taxes	\$ 162,485	\$ 162,485	\$ 190,730	\$ 28,245	
Charges for Services	29,274	29,274	29,150	(124)	
Licenses, Permits and Fees	240,937	240,937	326,987	86,050	
Fines and Forfeitures	22,621	22,621	37,200	14,579	
Intergovernmental	789,520	789,520	799,068	9,548	
Special Assessments	-	-	12,017	12,017	
Earnings on Investments	133,065	133,065	111,901	(21,164)	
Miscellaneous	70,968	70,968	686	(70,282)	
<i>Total receipts</i>	<i>1,448,870</i>	<i>1,448,870</i>	<i>1,507,739</i>	<i>58,869</i>	
<b>Disbursements</b>					
Current:					
General Government	777,783	1,019,304	971,749	47,555	
Public Safety	232,763	305,042	305,041	1	
Public Works	68,851	90,231	89,048	1,183	
Health	50,411	66,065	66,065	-	
Conservation-Recreation	4,597	6,025	5,829	196	
Capital Outlay	284,762	373,188	-	373,188	
<i>Total Disbursements</i>	<i>1,419,167</i>	<i>1,859,855</i>	<i>1,437,732</i>	<i>422,123</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>29,703</i>	<i>(410,985)</i>	<i>70,007</i>	<i>(363,254)</i>	
<b>Other Financing Sources (Uses)</b>					
Transfers Out	(285,553)	(285,553)	(285,553)	-	
Advances In	43,500	43,500	41,439	(2,061)	
Advances Out	(20,067)	(20,067)	(20,067)	-	
<i>Total Other Financing Sources (Uses)</i>	<i>(262,120)</i>	<i>(262,120)</i>	<i>(264,181)</i>	<i>(2,061)</i>	
<i>Net Change in Fund Balance</i>	<i>(232,417)</i>	<i>(673,105)</i>	<i>(194,174)</i>	<i>(365,315)</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>5,260,780</i>	<i>5,260,780</i>	<i>5,260,780</i>	<i>-</i>	
<i>Prior Year Encumbrances Appropriated</i>	<i>59,323</i>	<i>59,323</i>	<i>59,323</i>	<i>-</i>	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 5,087,686</i>	<i>\$ 4,646,998</i>	<i>\$ 5,125,929</i>	<i>\$ (365,315)</i>	

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Fire Fund  
For the Year Ended December 31, 2010***

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
				Original	Final
<b>Receipts</b>					
Property and Other Local Taxes	\$ 3,484,190	\$ 3,484,190	\$ 3,237,869	\$ (246,321)	
Intergovernmental	442,432	442,432	559,259	116,827	
Miscellaneous	-	-	30,194	30,194	
<i>Total receipts</i>	<i>3,926,622</i>	<i>3,926,622</i>	<i>3,827,322</i>	<i>(99,300)</i>	
<b>Disbursements</b>					
Current:					
General Government	4,223,653	4,223,653	3,958,938	264,715	
Capital Outlay	81,794	81,794	65,355	16,439	
<i>Total Disbursements</i>	<i>4,305,447</i>	<i>4,305,447</i>	<i>4,024,293</i>	<i>281,154</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(378,825)</i>	<i>(378,825)</i>	<i>(196,971)</i>	<i>181,854</i>	
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	-	-	624	624	
<i>Total Other Financing Sources (Uses)</i>	<i>-</i>	<i>-</i>	<i>624</i>	<i>624</i>	
<i>Net Change in Fund Balance</i>	<i>(378,825)</i>	<i>(378,825)</i>	<i>(196,347)</i>	<i>182,478</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>720,668</i>	<i>720,668</i>	<i>720,668</i>	<i>-</i>	
Prior Year Encumbrances Appropriated	11,988	11,988	11,988	-	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 353,831</i>	<i>\$ 353,831</i>	<i>\$ 536,309</i>	<i>\$ 182,478</i>	

See accompanying notes to the basic financial statements

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

***Statement of Net Assets - Cash Basis***  
***December 31, 2009***

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 6,928,661</u>
<i>Total Assets</i>	<u>6,928,661</u>
 <b>Net Assets</b>	
Restricted for:	
Permanent Fund Purpose	
Nonexpendable	2,000
Other Purposes	1,606,558
Unrestricted	<u>5,320,103</u>
<i>Total Net Assets</i>	<u>\$ 6,928,661</u>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP**  
**FRANKLIN COUNTY**

***Statement of Activities - Cash Basis***  
***For the Year Ended December 31, 2009***

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Interest and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>						
General Government	\$ 969,250	\$ 291,869	-	\$ -	\$ (677,381)	
Public Safety	4,364,300	522,451	462,116	-	(3,379,733)	
Public Works	1,073,346	29,860	248,001	797,915	2,430	
Health	134,479	45,014	-	-	(89,465)	
Conservation-Recreation	5,192	-	-	-	(5,192)	
Capital Outlay	1,675,136	-	-	-	(1,675,136)	
Debt Service:						
Principal Retirement	175,647	-	-	-	(175,647)	
Interest and Fiscal Charges	2,537	-	-	-	(2,537)	
Total	<u>\$ 8,399,887</u>	<u>\$ 889,194</u>	<u>\$ 710,117</u>	<u>\$ 797,915</u>	<u>(6,002,661)</u>	
<b>General Receipts</b>						
Property Taxes					3,934,046	
Special Assessments					135,508	
Grants and Entitlements not Restricted					805,945	
Sale of Capital Assets					14,592	
Proceeds of Loan					520,675	
Earnings on Investment					142,563	
Miscellaneous					223,359	
<i>Total General Receipts</i>					<i>5,776,688</i>	
Change in Net Assets					(225,973)	
<i>Net Assets Beginning of Year</i>					<i>7,154,634</i>	
<i>Net Assets End of Year</i>					<i>\$ 6,928,661</i>	

See accompanying notes to the basic financial statements

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

**Statement of Cash Basis Assets and Fund Balances**  
**Governmental Funds**  
**December 31, 2009**

	General	Fire Fund	South Greener Road Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 5,320,103	\$ 732,656	\$ -	\$ 875,902	\$ 6,928,661
<i>Total Assets</i>	<i>5,320,103</i>	<i>732,656</i>	<i>-</i>	<i>875,902</i>	<i>6,928,661</i>
<b>Fund Balances</b>					
Reserved:					
Reserved for Encumbrances	59,323	11,988	148,392	123,010	342,713
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	5,260,780	-	-	-	5,260,780
Special Revenue Funds	-	720,668	-	873,902	1,594,570
Debt Service Fund	-	-	-	-	-
Capital Projects Funds	-	-	(148,392)	(123,010)	(271,402)
Permanent Fund	-	-	-	2,000	2,000
<i>Total Fund Balances</i>	<i>\$ 5,320,103</i>	<i>\$ 732,656</i>	<i>\$ -</i>	<i>\$ 875,902</i>	<i>\$ 6,928,661</i>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2009***

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		South Grener	Other	Total
		Fire	Road	Governmental
	General	Fund	Fund	Funds
<b>Receipts</b>				
Property and Other Local Taxes	\$ 197,520	\$ 3,341,702	\$ -	\$ 3,934,046
Charges for Services	29,860	-	-	522,451
Licenses, Permits and Fees	256,173	-	-	45,014
Fines and Forfeitures	35,696	-	-	35,696
Intergovernmental	805,943	462,116	718,410	327,508
Special Assessments	-	-	-	135,508
Earnings on Investments	141,869	-	-	694
Miscellaneous	44,977	25,881	-	150,739
<i>Total Receipts</i>	<i>1,512,038</i>	<i>3,829,699</i>	<i>718,410</i>	<i>1,576,738</i>
				<b>7,636,885</b>
<b>Disbursements</b>				
Current:				
General Government	969,250	-	-	969,250
Public Safety	299,096	3,717,518	-	347,686
Public Works	322,965	-	-	750,381
Health	60,601	-	-	73,878
Conservation-Recreation	5,192	-	-	5,192
Capital Outlay	-	78,221	851,608	745,307
Debt Service:				
Principal Retirement	154,999	-	-	20,648
Interest and Fiscal Charges	2,537	-	-	2,537
<i>Total Disbursements</i>	<i>1,814,640</i>	<i>3,795,739</i>	<i>851,608</i>	<i>1,937,900</i>
				<b>8,399,887</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(302,602)</i>	<i>33,960</i>	<i>(133,198)</i>	<i>(361,162)</i>
				<b>(763,002)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	14,592	-	14,592
Proceeds of Loan			133,198	387,477
Transfers In	65,728	-	-	28,637
Transfers Out	(28,637)	-	-	(65,728)
Advances In	30,256	-	-	26,131
Advances Out	(26,131)	-	-	(30,256)
Other Financing Sources	1,762	-	-	1,762
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<i>42,978</i>	<i>14,592</i>	<i>133,198</i>	<i>346,261</i>
				<b>537,029</b>
<i>Net Change in Fund Balances</i>	<i>(259,624)</i>	<i>48,552</i>	<i>-</i>	<i>(14,901)</i>
<i>Fund Balances Beginning of Year</i>	<i>5,579,727</i>	<i>684,104</i>	<i>-</i>	<i>890,803</i>
<i>Fund Balances End of Year</i>	<i>\$ 5,320,103</i>	<i>\$ 732,656</i>	<i>\$ -</i>	<i>\$ 875,902</i>
				<b>\$ 6,928,661</b>

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2009***

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>Receipts</b>					
Property and Other Local Taxes	\$ 161,782	\$ 161,782	\$ 197,520	\$ 35,738	
Charges for Services	30,716	30,716	29,860	(856)	
Licenses, Permits and Fees	208,125	208,125	256,173	48,048	
Fines and Forfeitures	23,735	23,735	35,696	11,961	
Intergovernmental	851,675	851,675	805,943	(45,732)	
Earnings on Investments	186,158	186,158	141,869	(44,289)	
Miscellaneous	18,616	18,616	44,977	26,361	
<i>Total receipts</i>	<i>1,480,807</i>	<i>1,480,807</i>	<i>1,512,038</i>	<i>31,231</i>	
<b>Disbursements</b>					
Current:					
General Government	963,091	1,095,689	1,028,573	67,116	
Public Safety	302,650	302,650	299,096	3,554	
Public Works	366,944	384,914	322,965	61,949	
Health	63,000	62,700	60,601	2,099	
Conservation-Recreation	6,584	6,584	5,192	1,392	
Debt Service:					
Principal Retirement	103,334	154,999	154,999	-	
Interest and Fiscal Charges	5,230	2,537	2,537	-	
<i>Total Disbursements</i>	<i>1,810,833</i>	<i>2,010,073</i>	<i>1,873,963</i>	<i>136,110</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(330,026)</i>	<i>(529,266)</i>	<i>(361,925)</i>	<i>(104,879)</i>	
<b>Other Financing Sources (Uses)</b>					
Transfers In	50,000	50,000	65,728	15,728	
Transfers Out	(41,538)	(28,637)	(28,637)	-	
Advances In	20,000	20,000	30,256	10,256	
Advances Out	(25,000)	(32,324)	(26,131)	6,193	
Other Financing Sources	-	-	1,762	1,762	
<i>Total Other Financing Sources (Uses)</i>	<i>3,462</i>	<i>9,039</i>	<i>42,978</i>	<i>33,939</i>	
<i>Net Change in Fund Balance</i>	<i>(326,564)</i>	<i>(520,227)</i>	<i>(318,947)</i>	<i>(70,940)</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>5,564,850</i>	<i>5,564,850</i>	<i>5,564,850</i>	<i>-</i>	
<i>Prior Year Encumbrances Appropriated</i>	<i>14,877</i>	<i>14,877</i>	<i>14,877</i>	<i>-</i>	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 5,253,163</i>	<i>\$ 5,059,500</i>	<i>\$ 5,260,780</i>	<i>\$ (201,280)</i>	

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

***Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Fire Fund  
For the Year Ended December 31, 2009***

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	<u>Budgeted Amounts</u>			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>Receipts</b>					
Property and Other Local Taxes	\$ 3,486,854	\$ 3,486,854	\$ 3,341,702	\$ (145,152)	
Intergovernmental	398,049	398,049	462,116	64,067	
Miscellaneous	18,955	18,955	25,881	6,926	
<i>Total receipts</i>	<i>3,903,858</i>	<i>3,903,858</i>	<i>3,829,699</i>	<i>(74,159)</i>	
<b>Disbursements</b>					
Current:					
Public Safety	3,902,531	3,902,531	3,729,506	173,025	
Capital Outlay	184,204	184,204	78,221	105,983	
<i>Total Disbursements</i>	<i>4,086,735</i>	<i>4,086,735</i>	<i>3,807,727</i>	<i>279,008</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(182,877)</i>	<i>(182,877)</i>	<i>21,972</i>	<i>204,849</i>	
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	-	-	14,592	14,592	
<i>Total Other Financing Sources (Uses)</i>	<i>-</i>	<i>-</i>	<i>14,592</i>	<i>14,592</i>	
<i>Net Change in Fund Balance</i>	<i>(182,877)</i>	<i>(182,877)</i>	<i>36,564</i>	<i>219,441</i>	
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>647,618</i>	<i>647,618</i>	<i>647,618</i>		
Prior Year Encumbrances Appropriated	36,486	36,486	36,486		
<i>Unencumbered Fund Balance End of Year</i>	<i>\$ 501,227</i>	<i>\$ 501,227</i>	<i>\$ 720,668</i>	<i>\$ 219,441</i>	

See accompanying notes to the basic financial statements

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**Note 1 – Reporting Entity**

Prairie Township, Franklin County, Ohio (the Township), is a body politic and corporate established in 1819 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, and cemetery maintenance. Police protection is provided by the Franklin County Sheriff's Department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township does not have any component units.

**C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools**

The Township participates in one public entity risk pools. Note 6 to the financial statements provides additional information for these entities. This organization is:

**Public Entity Risk Pool:**

The Ohio Township Association Risk Management Authority (OTARMA) is a risk-sharing pool available to Ohio townships which provides property and casualty coverage for its members.

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.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include 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 the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**A. 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 fund financial statements 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 and investment balances, of the governmental and business-type activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type 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 or business-type activity 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. Fiduciary funds are reported by type.

**B. Fund Accounting**

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

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund and Fire Fund for fiscal years ended December 31, 2009 and 2010, South Grener Road Fund for fiscal year 2009. The General Fund is used to account for all financial resources, 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. The Fire Fund received real estate and personal property taxes to provide for fire services. The South Grener Road Fund received grant and loan proceeds for the South Grener Road Improvements.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting (Continued)**

**Governmental Funds (Continued)**

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**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 does not have pension trust funds, investment trust funds, or private purpose trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for developer bonds and permits.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

All funds, except agency 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.

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.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Process (Continued)**

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

**E. Cash and Investments**

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

During 2010 and 2009, the Township invested in nonnegotiable certificates of deposit, Federal Home Loan Securities, a money market mutual fund, and STAR Ohio. The nonnegotiable certificates of deposit and the Federal Home Loan Securities are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by 5/3<sup>rd</sup> Securities on December 31, 2010 and 2009.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010 and 2009.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 and 2009 was \$112,450 and \$142,563 which includes \$549 and \$694, respectively, assigned from other Township funds.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township did not have any restricted assets at December 31, 2010 and 2009.

**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 are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)**

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**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 healthcare 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 expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Assets**

Net 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. Net assets restricted for other purposes include resources restricted for road improvements and fire protection. The Township's policy is to first apply 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 balances 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 and permanent funds.

**O. Interfund Transactions**

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 sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and Fire Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$36,363 and \$59,323 for the General Fund in 2010 and 2009, respectively, and \$2,820 and \$11,988 for the Fire Fund in 2010 and 2009, respectively.

**Note 4 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active 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 Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 4 – Deposits and Investments (Continued)**

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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.

**Deposits**

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of December 31, 2009, the Township had the following investments

	Carrying Value	Maturity
Federal Loan Home Securities	\$1,800,000	1-4 year
Money Market Mutual Fund	57,142	Less than 1 Year
STAR Ohio	766,044	Less than 1 Year
<b>Total Portfolio</b>	<b>\$2,623,186</b>	

As of December 31, 2010, the Township had the following investments:

	Carrying Value	Maturity
Federal Loan Home Securities	\$500,000	Less than 1 year
Money Market Mutual Fund	722,233	Less than 1 year
STAR Ohio	298,321	Less than 1 Year
<b>Total Portfolio</b>	<b>\$1,520,554</b>	

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 4 – Deposits and Investments (Continued)**

The Money Market Fund and Government Securities carry a rating of AAA by Moody's and AAA by Standard's and Poor, STAR Ohio carries a rating of AAAm by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 investments or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2010 and 2009 for real and public utility property taxes represents collections of the 2010 and 2009 taxes. Property tax payments received during 2010 and 2009 for tangible personal property (other than public utility property) is for 2010 and 2009 taxes.

2010 and 2009 real property taxes are levied after October 1, 2010 and 2009 on the assessed values as of January 1, 2010 and 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2010 and 2009 real property taxes are collected in and intended to finance 2010 and 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 and 2009 public utility property taxes which became a lien on December 31, 2010 and 2009 are levied after October 1, 2010 and 2009 are collected in 2010 and 2009 with real property taxes.

2010 and 2009 tangible property taxes are levied after October 1, 2009 and 2008, on the value as of December 31, 2009 and 2008. Collections are made in 2010 and 2009. Tangible personal property assessments have been phased out – the assessment percentage for all property including inventory for 2007 was 12.5 percent. This has been reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2010 (2009), was \$18.20 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2010 (2009) property tax receipts were based are as follows:

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)**

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**Note 5 – Property Taxes (Continued)**

	<b>2010</b>	<b>2009</b>
Real Property	\$298,731,060	\$296,225,790
Public Utility Property	12,577,170	11,155,790
Tangible Personal Property	12,479,190	11,477,497
Total Assessed Values	<u>\$323,787,420</u>	<u>\$ 318,859,077</u>

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.

**Note 6 – Risk Management**

**Casualty Coverage**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage**

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

**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, 2010 and 2009:

	<b>2010</b>	<b>2009</b>
Assets	\$35,855,252	\$38,982,088
Liabilities	(10,664,724)	(12,880,766)
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

**PRAIRIE TOWNSHIP  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 6 – Risk Management**

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$22,462.

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>	
<b><u>2010</u></b>	<b><u>2009</u></b>
\$30,354	\$27,349

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

**Note 7 – Defined Benefit Pension Plan**

**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 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 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. 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 in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

**PRAIRIE TOWNSHIP  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 7 – Defined Benefit Pension Plan (Continued)**

A. Ohio Public Employees Retirement System (Continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010 and 2009 members in state and local classifications contributed 10 percent of covered payroll.

The Township's contribution rate for 2010 and 2009 was 14 percent. Employer contribution rates are actuarially determined.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$113,906, \$110,386, and \$110,395 respectively. The full amount has been contributed for 2010, 2009 and 2008.

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 information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are established by State statute. The Township's contributions to OP&F for firefighters were \$669,871 for the year ended December 31, 2010, \$631,533 for the year ended December 31, 2009 and \$633,573 for the year ended December 31, 2008. The full amount has been contributed for 2010, 2009 and 2008.

**Note 8 - Postemployment Benefits**

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare.

The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to 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 provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)

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**Note 8 - Postemployment Benefits (Continued)**

**A. Ohio Public Employees Retirement System (Continued)**

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment 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 postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14 percent of covered payroll (17.87 percent for public safety and law enforcement). Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5.5 percent of covered payroll from January 1 through June 30, 2010, and 4.23 percent from July 1 through December 31, 2010. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for fiscal year 2010 was \$22,194 from January 1 through June 30, 2010, \$17,346 from July 1 through December 31, 2010. The Township's contributions allocated to fund post employment healthcare benefits for fiscal year 2009 was \$12,711 from January 1 through March 31, 2009, \$33,379 from April 1 through December 31, 2009.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which 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 healthcare plan.

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

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit 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 of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

**PRAIRIE TOWNSHIP  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(Continued)**

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**Note 8 - Postemployment Benefits (Continued)**

**B. Ohio Police and Fire Pension Fund (Continued)**

Funding Policy – OP&F's postemployment 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 percentages of the payroll of active pension plan members, currently, 24 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2010, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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 postemployment healthcare benefits for firefighters were \$188,401 for the year ended December 31, 2010, \$177,619 for the year ended December 31, 2009 and \$178,192 for the year ended December 31, 2008. The full amount has been contributed for 2010, 2009, and 2008.

**Note 9 – Debt**

The Township's long-term debt activity for the year ended December 31, 2010 and 2009 was as follows:

The Township's long-term debt activity for the year ended December 31, 2010 and 2009 was as follows:

Governmental Activities	Interest Rate	Balance December 31, 2008			Balance December 31, 2009	
		Additions	Reductions			
Vehicle Maintenance and Storage Bond	4%	\$ 154,999	\$ -	\$ 154,999	\$ -	-
OPWC Loan - Palmetto Street	0%	279,610	-	15,978	263,632	
OPWC Loan - Inah Avenue	0%	118,588	387,477	12,659	493,406	
OPWC Loan - South Grener (Phase 1)	0%	-	133,918	-	133,918	
Totals		<u>\$ 553,197</u>	<u>\$ 521,395</u>	<u>\$ 183,636</u>	<u>\$ 890,956</u>	

Governmental Activities	Interest Rate	Balance December 31, 2009			Balance December 31, 2010	
		Additions	Reductions			
OPWC Loan - Palmetto Street	0%	263,632	-	15,978	247,654	
OPWC Loan - Inah Avenue	0%	493,406	-	25,318	468,088	
OPWC Loan - South Grener (Phase 1)	0%	133,918	198,833	16,638	316,113	
Totals		<u>\$ 890,956</u>	<u>\$ 198,833</u>	<u>\$ 57,934</u>	<u>\$ 1,031,855</u>	

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)

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**Note 9 – Debt (Continued)**

**Vehicle Maintenance and Storage Bond**

The Township entered into a \$310,000 bond with National City Bank in accordance with § 505.262 of the Ohio Revised Code. This bond was to finance the construction of a road department salt storage shed and road department vehicle maintenance. The Township paid off the vehicle maintenance and storage bond in full in March 2009.

**OPWC Loan Agreements**

The Township entered into a \$319,554, \$511,200, and \$388,155 loan agreement with the Ohio Public Works Commission in accordance with § 164.05 of the Ohio Revised Code and §164-1-21 of the Ohio Administrative Code. This agreement was to help finance the street improvement project on Palmetto Road, Inah Avenue, and South Grener Road Improvement. The Township will pay Ohio Public Works Commission semi-annual payments for 20 years, starting January 2007 and ending July 1, 2026.

The following is a summary of the Township's future annual debt service requirements:

**OPWC Loan Agreements:**

Year	Palmetto Street	Inah Avenue	South Grener Road
2011	15,978	25,318	16,638
2012	15,978	25,318	16,638
2013	15,978	25,318	16,638
2014	15,978	25,318	16,638
2015	15,978	25,318	16,638
2016-2020	79,890	126,590	83,190
2021-2025	79,890	126,590	83,190
2026-2030	7,984	88,318	66,543
Total	\$ 247,654	\$ 468,088	\$ 316,113

**South Grener Avenue Road Improvement Project**

The Township entered into a \$787,238 and \$596,912 loan agreement with Ohio Public Works Commission in accordance with § 164.05 and §164.06 of the Ohio Revised Code. This agreement is to help finance the street improvement project on South Grener Avenue (Phases 11 and 111). The Township has not made any payments to these loans as of December 31, 2010. The amortization schedules will be provided upon the completion of the project.

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
(Continued)

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**Note 10 – Interfund Transfers**

During 2010 and 2009 the following transfers were made:

2009		
To	From	
	General Fund	RFI
To	RFI	28,637
	General Fund	65,728
2010		
To	From	
	General Fund	
To	RFI	285,553

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In 2009 there was a transfer into the General Fund from RFI. This transfer is the result of a completed capital project and the close out of a capital projects fund. Under Ohio law, a subdivision may transfer any remaining funds in a capital projects fund upon completion of the project. The Township obtained a court order authorizing the transfer to the General Fund.

**Note 11 – Contingencies**

- A. The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.
- B. Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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# Dave Yost • Auditor of State

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

Prairie Township  
Franklin County  
23 Maple Drive  
Columbus, Ohio 43228

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prairie Township, Franklin County, Ohio (the Township) as of and for the years ended 2010 and 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 2, 2011, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected, and timely corrected.

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

Prairie Township  
Franklin County  
Independent Accountants' Report On Internal Control Over  
Financial Reporting and On Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

**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 certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 2, 2011.

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



**Dave Yost**  
Auditor of State

August 2, 2011

PRAIRIE TOWNSHIP  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2008-002	Material Noncompliance-Certification of Funds	Yes	
2008-001	Financial Reporting	Partially	Repeated in the Management Letter

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# Dave Yost • Auditor of State

PRAIRIE 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 4, 2011