

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO
CASH BASIS FINANCIAL STATEMENTS**

*FOR THE YEAR ENDED
DECEMBER 31, 2014*

BUD ZAPPITELLI, FISCAL OFFICER

PLAIN TOWNSHIP
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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Accountant's Compilation Report

To the Board of Trustees
Plain Township, Ohio

We have compiled the basic financial statements, as listed in the table of contents, for Plain Township (the "Township"), as of and for the fiscal year ended December 31, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The management's discussion and analysis, on pages 3 through 12 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

February 17, 2015

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2014 within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- For 2014, the total net position of the Township decreased \$417,063 or 6.13%.
- For 2014, general cash receipts accounted for \$5,695,091 or 86.71% of total governmental activities cash receipts, program specific cash receipts accounted for \$873,139 or 13.29% of total governmental activities.
- For 2014, the Township had \$6,985,293 in cash disbursements related to governmental activities; \$873,139 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$5,695,091 were not adequate to provide for these programs.
- The Township's major funds are the general fund and the fire district fund. The general fund, one of the Township's major funds, had cash receipts of \$895,386 in 2014. The cash disbursements and other financing disbursements of the general fund, totaled \$885,350 in 2014. The general fund's fund balance increased \$10,036 from 2013 to 2014.
- The fire district fund, a Township major fund, had cash receipts of \$4,641,077 in 2014. The fire district fund had cash disbursements of \$5,050,368 in 2014. The fire district fund balance decreased \$409,291 from 2013 to 2014.

Using this Cash Basis Basic Financial Statements (BFS)

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

Reporting the Township as a Whole

Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2014?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

In the statement of net position- cash basis and the statement of activities - cash basis, the governmental activities include the Township's programs and services, including fire protection, road and bridge maintenance and repair, and ambulance services. The statement of net position - cash basis and the statement of activities - cash basis can be found on pages 13 and 14 of this report.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

Governmental Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-41 of this report.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net position at December 31, 2014 and 2013.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ <u>6,390,305</u>	\$ <u>6,807,368</u>
Total assets	<u>6,390,305</u>	<u>6,807,368</u>
<u>Net cash position</u>		
Restricted	3,104,322	3,487,802
Unrestricted	<u>3,285,983</u>	<u>3,319,566</u>
Total net cash position	<u>\$ 6,390,305</u>	<u>\$ 6,807,368</u>

For 2014, net position of the Township decreased \$417,063 or 6.13%. The balance of government-wide unrestricted net cash position of \$3,285,983 at December 31, 2014 may be used to meet the government's ongoing obligations to citizens and creditors.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the changes in net position for years 2014 and 2013.

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 720,072	\$ 762,809
Operating grants and contributions	120,030	151,399
Capital grants and contributions	<u>33,037</u>	<u>8,526</u>
Total program cash receipts	<u>873,139</u>	<u>922,734</u>
General cash receipts:		
Property and other taxes	4,841,186	4,721,659
Unrestricted grants	653,725	613,169
Investment receipts	42,267	35,566
Miscellaneous	<u>157,913</u>	<u>121,203</u>
Total general cash receipts	<u>5,695,091</u>	<u>5,491,597</u>
Total cash receipts	<u>6,568,230</u>	<u>6,414,331</u>
Cash Disbursements:		
Current:		
General government	638,441	661,394
Public safety	5,378,396	5,248,048
Public works	223,609	318,733
Health	71,140	81,280
Conservation and recreation	437,294	372,396
Capital outlay	94,600	300,698
Debt service:		
Principal retirement	20,452	23,209
Interest and fiscal charges	<u>121,361</u>	<u>118,604</u>
Total cash disbursements	<u>6,985,293</u>	<u>7,124,362</u>
Change in net position	(417,063)	(710,031)
Net position at beginning of year	<u>6,807,368</u>	<u>7,517,399</u>
Net position at end of year	<u>\$ 6,390,305</u>	<u>\$ 6,807,368</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Governmental Activities

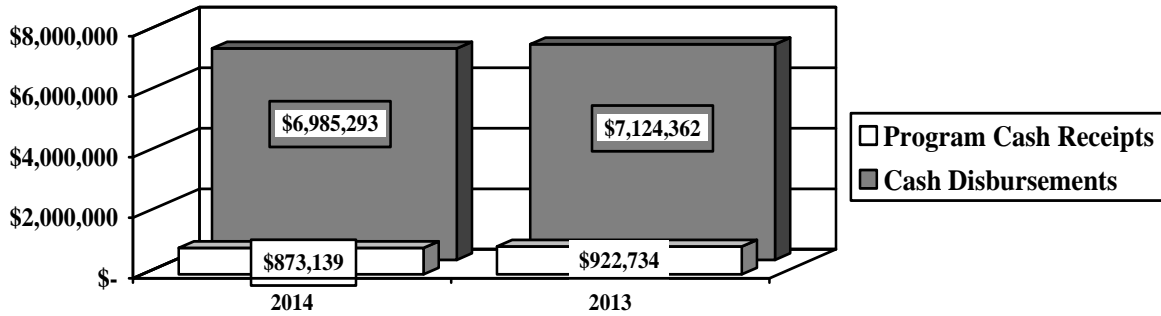
Governmental cash assets decreased by \$417,063 in 2014 from 2013.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2014, general government cash disbursements totaled \$638,441 or 9.14% of total governmental cash disbursements. General government programs were supported by \$23,401 in direct charges to users for services.

In 2014, the public safety programs accounted for \$5,378,396 or 77.00% of total governmental cash disbursements. These operations are primarily supported through taxes.

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the program cash receipts for 2014 and 2013. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements



**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

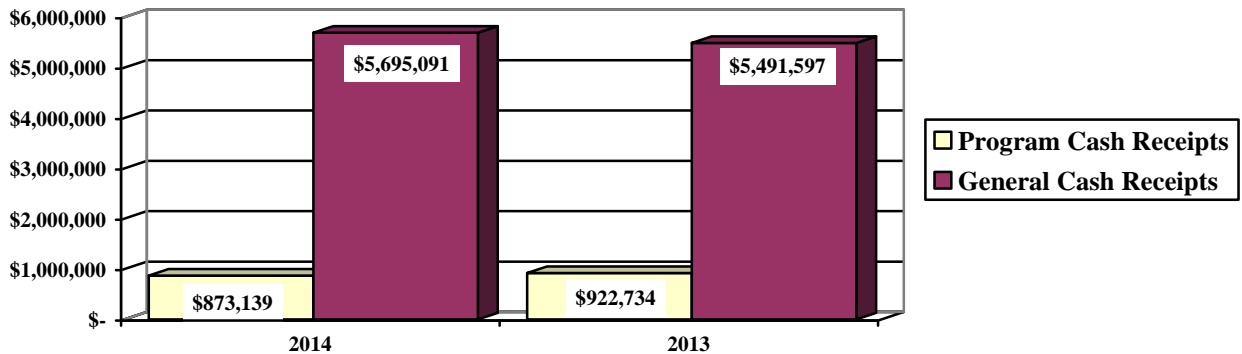
Governmental Activities

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
Cash disbursements:				
Current:				
General government	\$ 638,441	\$ 615,040	\$ 661,394	\$ 635,200
Public safety	5,378,396	5,047,347	5,248,048	4,887,299
Public works	223,609	106,275	318,733	206,439
Health	71,140	12,097	81,280	2,294
Conservation and recreation	437,294	94,982	372,396	27,885
Capital outlay	94,600	94,600	300,698	300,698
Debt service:				
Principal retirement	20,452	20,452	23,209	23,209
Interest and fiscal charges	<u>121,361</u>	<u>121,361</u>	<u>118,604</u>	<u>118,604</u>
Total	<u>\$ 6,985,293</u>	<u>\$ 6,112,154</u>	<u>\$ 7,124,362</u>	<u>\$ 6,201,628</u>

The dependence upon general cash receipts for governmental activities is apparent with 87.50% and 87.05% of cash disbursements supported through taxes and other general cash receipts during 2014 and 2013, respectively.

The graph below presents the Township's governmental receipts for 2014 and 2013.

Governmental Activities - General and Program Cash Receipts



**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

At December 31, 2014, the Township's governmental funds reported a combined fund balance of \$6,390,305, which is \$417,063 less than the 2013 total of \$6,807,368. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2014 and 2013 for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2014</u>	<u>Fund Balance</u> <u>December 31, 2013</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 2,498,231	\$ 2,488,195	\$ 10,036
Fire District	1,760,940	2,170,231	(409,291)
Nonmajor funds	<u>2,131,134</u>	<u>2,148,942</u>	<u>(17,808)</u>
Total	<u>\$ 6,390,305</u>	<u>\$ 6,807,368</u>	<u>\$ (417,063)</u>

General Fund

The general fund, one of the Township's major funds, had cash receipts of \$895,386 in 2014. The cash disbursements and other financing disbursements of the general fund, totaled \$885,350 in 2014. The general fund's fund balance increased \$10,036 from 2013 to 2014.

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

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>
<u>Cash Receipts:</u>			
Taxes	\$ 641,812	\$ 636,019	\$ 5,793
Intergovernmental	167,237	137,514	29,723
License, permits and fees	23,401	26,194	(2,793)
Investment income	42,267	35,566	6,701
Other	<u>20,669</u>	<u>17,240</u>	<u>3,429</u>
Total	<u>\$ 895,386</u>	<u>\$ 852,533</u>	<u>\$ 42,853</u>

Investment income cash receipts increased due to higher amounts in investments and interest earnings on investments.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>
<u>Cash Disbursements</u>			
General government	\$ 638,441	\$ 661,394	\$ (22,953)
Public safety	9,534	23,786	(14,252)
Health	6,427	18,498	(12,071)
Conservation and recreation	78,500	50,552	27,948
Capital outlay	<u>10,635</u>	<u>7,207</u>	<u>3,428</u>
Total	<u>\$ 743,537</u>	<u>\$ 761,437</u>	<u>\$ (17,900)</u>

Fire District Fund

The fire district fund, a Township major fund, had cash receipts of \$4,641,077 in 2014. The fire district fund had cash disbursements of \$5,050,368 in 2014. The fire district fund balance decreased \$409,291 from 2013 to 2014.

Budgeting Highlights - General Fund

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

For 2014, final budget basis receipts of \$881,865 were \$6,126 less than original budget receipts of \$887,991. Actual cash receipts of \$895,386 were \$13,521 greater than final budget basis receipts. The final budgetary basis disbursements and other financing disbursements of \$1,751,479 were the same as the original budget disbursements and other financing disbursements. Actual budgetary basis disbursements and other financing disbursements of \$977,755 were less than final budget estimates by \$773,724.

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$94,600 and \$300,698 during 2014 and 2013, respectively.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

Debt Administration

The Township had the following debt outstanding at December 31, 2014 or 2013:

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
Current Interest Bonds - Swimming Pool	\$ 1,455,000	\$ 1,455,000
Capital Appreciation Bonds - Swimming Pool	-	20,452
Accreted interest	<u>-</u>	<u>56,404</u>
Total long-term obligations	<u>\$ 1,455,000</u>	<u>\$ 1,531,856</u>

See Note 6 for more information on the Township's debt.

Current Financial Related Activities

The following economic factors were taken into consideration in preparing the budget for 2014:

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

State funding is uncertain due to budgetary shortfalls at the State level. Local government revenue funds will be cut by an estimated 50% in the State budget. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2014. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.5mil fire levy for collection in 2008 and payment in 2009 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 3 years.

These economic factors were considered in preparing the Township's budget for 2014. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cindy Powell, Finance Officer, or Bud Zappitelli, Fiscal Officer, Plain Township, 45 Second Street, P.O. Box 273, New Albany, Ohio, 43054.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 6,390,305
Total assets.	6,390,305
Net cash position:	
Restricted for:	
Nonexpendable.	2,030
Public safety	1,827,308
Public works	903,439
Health and human services	124,521
Capital projects.	247,024
Unrestricted.	3,285,983
Total net cash position	\$ 6,390,305

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	Cash Disbursements	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 638,441	\$ 23,401	\$ -	\$ -	\$ (615,040)
Public safety	5,378,396	295,316	2,696	33,037	(5,047,347)
Public works.	223,609	-	117,334	-	(106,275)
Health	71,140	59,043	-	-	(12,097)
Conservation and recreation	437,294	342,312	-	-	(94,982)
Capital outlay.	94,600	-	-	-	(94,600)
Debt service:					
Principal retirement	20,452	-	-	-	(20,452)
Interest and fiscal charges	121,361	-	-	-	(121,361)
Total governmental activities.	\$ 6,985,293	\$ 720,072	\$ 120,030	\$ 33,037	(6,112,154)

General receipts:

Property and other taxes levied for:

General purposes	641,812
Public safety - Fire district	4,049,394
Road and bridge improvements.	149,980
Grants and entitlements not restricted to specific programs.	653,725
Investment receipts.	42,267
Miscellaneous	157,913
Total general receipts.	5,695,091
Change in net position	(417,063)
Net cash position at beginning of year	6,807,368
Net cash position at end of year	\$ 6,390,305

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Fire District	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 2,498,231	\$ 1,760,940	\$ 2,131,134	\$ 6,390,305
Total assets	\$ 2,498,231	\$ 1,760,940	\$ 2,131,134	\$ 6,390,305
Fund balances:				
Nonspendable:				
Permanent fund	\$ -	\$ -	\$ 2,030	\$ 2,030
Restricted:				
Public safety programs	-	1,760,940	66,368	1,827,308
Public works programs	-	-	903,439	903,439
Health programs	-	-	124,521	124,521
Capital improvements - fire	-	-	247,024	247,024
Committed:				
Conservation and recreation programs	-	-	232,241	232,241
Public works programs	-	-	475,392	475,392
Capital improvements - swimming pool	-	-	80,119	80,119
Assigned:				
General government	16,640	-	-	16,640
Public safety programs	18,952	-	-	18,952
Health programs	56,813	-	-	56,813
Subsequent year appropriations	641,623	-	-	641,623
Unassigned	1,764,203	-	-	1,764,203
Total fund balances	\$ 2,498,231	\$ 1,760,940	\$ 2,131,134	\$ 6,390,305

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Fire District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:				
Taxes	\$ 641,812	\$ 4,049,394	\$ 149,980	\$ 4,841,186
Intergovernmental	167,237	468,195	163,787	799,219
Charges for services	-	-	669,228	669,228
License, permits and fees	23,401	-	25,123	48,524
Interest	42,267	-	3,877	46,144
Miscellaneous	20,669	123,488	19,772	163,929
Total cash receipts	<u>895,386</u>	<u>4,641,077</u>	<u>1,031,767</u>	<u>6,568,230</u>
Cash disbursements:				
Current:				
General government	638,441	-	-	638,441
Public safety	9,534	5,050,368	318,494	5,378,396
Public works	-	-	223,609	223,609
Health	6,427	-	64,713	71,140
Conservation and recreation	78,500	-	358,794	437,294
Capital outlay	10,635	-	83,965	94,600
Debt service:				
Principal retirement	-	-	20,452	20,452
Interest and fiscal charges	-	-	121,361	121,361
Total cash disbursements	<u>743,537</u>	<u>5,050,368</u>	<u>1,191,388</u>	<u>6,985,293</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>151,849</u>	<u>(409,291)</u>	<u>(159,621)</u>	<u>(417,063)</u>
Other financing receipts (disbursements):				
Transfers in	-	-	141,813	141,813
Transfers out	(141,813)	-	-	(141,813)
Total other financing receipts (disbursements)	<u>(141,813)</u>	<u>-</u>	<u>141,813</u>	<u>-</u>
Net change in fund balances	10,036	(409,291)	(17,808)	(417,063)
Fund balances				
at beginning of year	2,488,195	2,170,231	2,148,942	6,807,368
Fund balances at end of year	<u>\$ 2,498,231</u>	<u>\$ 1,760,940</u>	<u>\$ 2,131,134</u>	<u>\$ 6,390,305</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Taxes	\$ 636,511	\$ 632,119	\$ 641,812	\$ 9,693
Intergovernmental	165,856	164,712	167,237	2,525
License, permits and fees	23,208	23,048	23,401	353
Interest	41,918	41,629	42,267	638
Miscellaneous	20,498	20,357	20,669	312
Total receipts.	<u>887,991</u>	<u>881,865</u>	<u>895,386</u>	<u>13,521</u>
Disbursements:				
Current:				
General government	1,172,126	1,172,126	645,081	527,045
Public safety	78,953	78,953	28,486	50,467
Health	145,400	145,400	63,240	82,160
Conservation and recreation	79,000	79,000	20,635	58,365
Capital outlay	111,000	111,000	78,500	32,500
Total disbursements	<u>1,586,479</u>	<u>1,586,479</u>	<u>835,942</u>	<u>750,537</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(698,488)</u>	<u>(704,614)</u>	<u>59,444</u>	<u>764,058</u>
Other financing (disbursements):				
Transfers out.	<u>(165,000)</u>	<u>(165,000)</u>	<u>(141,813)</u>	<u>23,187</u>
Total other financing disbursements	<u>(165,000)</u>	<u>(165,000)</u>	<u>(141,813)</u>	<u>23,187</u>
Net change in fund balance.	(863,488)	(869,614)	(82,369)	787,245
Fund balance at beginning of year.	2,439,448	2,439,448	2,439,448	-
Prior year encumbrances appropriated	<u>48,747</u>	<u>48,747</u>	<u>48,747</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,624,707</u>	<u>\$ 1,618,581</u>	<u>\$ 2,405,826</u>	<u>\$ 787,245</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Taxes	\$ 4,230,335	\$ 4,170,226	\$ 4,049,394	\$ (120,832)
Intergovernmental.	489,116	482,166	468,195	(13,971)
Miscellaneous.	129,006	127,173	123,488	(3,685)
Total receipts	<u>4,848,457</u>	<u>4,779,565</u>	<u>4,641,077</u>	<u>(138,488)</u>
Disbursements:				
Current:				
Public safety.	5,270,077	5,270,077	5,052,810	217,267
Total disbursements	<u>5,270,077</u>	<u>5,270,077</u>	<u>5,052,810</u>	<u>217,267</u>
Net change in fund balance	(421,620)	(490,512)	(411,733)	78,779
Fund balance at beginning of year	2,166,024	2,166,024	2,166,024	-
Prior year encumbrances appropriated.	<u>4,207</u>	<u>4,207</u>	<u>4,207</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,748,611</u>	<u>\$ 1,679,719</u>	<u>\$ 1,758,498</u>	<u>\$ 78,779</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Private-Purpose Trust</u>
Net cash position at beginning of year	<u>3,185</u>
Net cash position at end of year	<u>\$ 3,185</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE TOWNSHIP

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

JOINTLY GOVERNED ORGANIZATIONS

New Albany - Plain Local Joint Park District

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Rocky Fork-Blacklick Accord

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

Mid-Ohio Regional Planning Commission

The Township is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 42 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking and Fairfield Counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environment infrastructure program funding to the full advantage of MORPC's members.

JOINT VENTURE

New Albany Performing Arts Center

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

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

The Township has no ongoing financial interest or responsibility in the operation of the Center other than it must pay a portion of the Director's salary. The Board approves the operating budget of the Center. Complete financial statements for the Center may be obtained from the Treasurer of the New Albany-Plain Local School District at 55 North High Street, New Albany, OH 43054.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

PUBLIC ENTITY RISK POOL

Ohio Township Association Risk Management Authority

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

Jefferson Health Plan (the "Health Plan")

The Township participates in the Health Plan, a claims servicing self-insurance pool organized under Ohio Revised Code Chapter 167, for the purpose of establishing and carrying out a cooperative program to administer medical, prescription, vision and dental benefits for employees of the participating entities and their eligible dependents. The Health Plan contracts with third-party administrators to process and pay health, dental and vision claims incurred by its members.

The Health Plan also purchases stop loss coverage for claims in excess of a set amount for individual claims and in the pool's aggregate.

Each member of the Health Plan is obligated to pay a fee based on an estimate of the member's share of the Health Plan costs for the fiscal year. Included in this estimate are claims by eligible employees which are payable by each member, the member's share of the medical, prescription, vision and dental insurance premiums, and their proportionate share of the administrative costs of the Health Plan. The actual balance of each member's account is determined on a monthly basis. Each member is required to meet or exceed the claims that have been incurred but not reported (IBNR) and to maintain adequate reserves or current funding to meet or exceed their claims fluctuation reserve requirements. If a member is in a deficit position, the participating member has two fiscal years to make up a negative reserve amount or an insufficient IBNR and three fiscal years to make up insufficient claims fluctuation reserves.

Members may withdraw from the Health Plan with as much notice as is possible for the termination, allowing the Health Plan time to determine any withdrawal balance owed to or by the departing employer. Any outstanding reserve balances are held by the Health Plan for a maximum period of six months to satisfy the payment of claims incurred before termination. The terminating member has the option to pay all of the claims incurred prior to the termination for membership so that any reserves could be released sooner. Employers found to be in a deficit position wishing to leave the Health Plan will be required to repay the deficit in full within ninety days of the effective withdraw date. Additionally, such terminating member will be required to pay any claims incurred prior to termination notification.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

B. Basis of Presentation

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

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

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

C. Fund Accounting

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

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Other governmental funds of the Township are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

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

D. Basis of Accounting

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

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

E. Budgetary Process

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

F. Cash and Investments

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

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

During 2014, investments were limited to federal agency securities, a U.S. Treasury Note, a Huntington money market and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on December 31, 2014.

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 2014 were \$42,267 which includes \$24,833 assigned from other Township funds.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-term Obligations

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

L. Net Cash Position

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

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

M. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Township Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Township Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Township Board of Trustees, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

N. Interfund Activity

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

For 2014, the Township has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the Township.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Township.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Deposits with Financial Institutions

At December 31, 2014, the carrying amount of all Township deposits was \$1,058,244. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", as of December 31, 2014, \$803,494 of the Township's bank balance of \$1,058,659 was exposed to custodial risk as discussed below, while \$255,165 was covered by FDIC.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2014, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLB	\$ 998,925	\$ 993,505	\$ -	\$ -	\$ -	\$ -	\$ 993,505
FFCB	499,500	497,085	-	-	-	-	497,085
FHLMC	747,375	739,448	-	-	-	-	739,448
FNMA	1,498,825	1,494,540	-	-	-	-	1,494,540
U.S. Treasury Note	499,688	494,725	-	-	-	-	494,725
STAR Ohio	675,885	675,885	675,885	-	-	-	-
Huntington Treasury money market	415,047	415,047	415,047	-	-	-	-
Total	\$ 5,335,245	\$ 5,310,235	\$ 1,090,932	\$ -	\$ -	\$ -	\$ 4,219,303

The weighted average maturity of investments is 2.45 years.

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

Credit Risk: STAR Ohio and the Huntington money market fund carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The Township's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2014:

<u>Investment type</u>	<u>Carring Value</u>	<u>% of Total</u>
FHLB	\$ 998,925	18.72
FFCB	499,500	9.36
FHLMC	747,375	14.01
FNMA	1,498,825	28.09
U.S. Treasury Note	499,688	9.37
STAR Ohio	675,885	12.67
Huntington Treasury money market	<u>415,047</u>	<u>7.78</u>
Total	<u>\$ 5,335,245</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position - cash basis as of December 31, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,058,245
Investments	<u>5,335,245</u>
Total	<u>\$ 6,393,490</u>
 <u>Cash and investments per statement of net positon</u>	
Governmental activities	\$ 6,390,305
Private purpose trust	<u>3,185</u>
Total	<u>\$ 6,393,490</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
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NOTE 5 - PROPERTY TAX

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all Township operations for the year ended December 31, 2014, was \$15.35 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

	<u>2014</u>
Real property tax	\$ 619,754,860
Public utility tangible personal property	<u>23,620,800</u>
Total assessed valuation	<u>\$ 643,375,660</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
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NOTE 6 - DEBT OBLIGATIONS

Transactions for the year ended December 31, 2014 are summarized as follows:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>
	<u>December 31, 2013</u>	<u>Proceeds</u>	<u>Payments</u>	<u>December 31, 2014</u>
Current Interest Bonds - Pool (1.50-3.00%)	\$ 1,455,000	\$ -	\$ -	\$ 1,455,000
Capital Appreciation Bonds - Pool (13.054%)	20,452	-	(20,452)	-
Accreted interest	56,404	3,144	(59,548)	-
Total	<u>\$ 1,531,856</u>	<u>\$ 3,144</u>	<u>\$ (80,000)</u>	<u>\$ 1,455,000</u>

The Swimming Pool Notes were originally issued April 15, 2002 to construct, furnish, and equip the pool and to landscape and improve the site thereof. The Swimming Pool Notes were rolled over in 2003 and in January the Current Interest and Capital Appreciation Pool Bonds were issued which retired the 2003 notes. The original value of the Capital Appreciation Bonds was \$69,998; however, they have been presented above to include their accreted value. Increases in accreted value for each year are presented in the proceeds column. During 2014 the Capital Appreciation Bonds have been paid in full.

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

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2014, are as follows:

<u>Year Ending December 31,</u>	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 80,000	\$ 61,813	\$ 141,813
2016	80,000	58,693	138,693
2017	85,000	55,573	140,573
2018	90,000	52,258	142,258
2019	90,000	48,768	138,768
2020 - 2024	525,000	180,848	705,848
2025 - 2028	<u>505,000</u>	<u>57,780</u>	<u>562,780</u>
Total	<u>\$ 1,455,000</u>	<u>\$ 515,733</u>	<u>\$ 1,970,733</u>

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The Township's contribution rate for 2014 was 14.00% of covered payroll.

The Township's contribution rate for pension benefits for members in the Traditional Plan for 2014 was 12.00%. The Township's contribution rate for pension benefits for members in the Combined Plan for 2014 was 12.00%. The Township's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$45,190, \$49,766, and \$38,801, respectively; 89.26% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$19,426 made by the Township and \$13,876 on behalf of the plan members were also made by the Township.

B. Ohio Police and Fire Pension Fund

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 7 - PENSION PLANS - (Continued)

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, the Township was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

For 2014, the portion of the Township's contributions to fund pension obligations was 19.00% for police officers and 23.50% for firefighters. The Township's required contributions for pension obligations to OP&F for firefighters were \$618,765 for the year ended December 31, 2014, \$503,876 for the year ended December 31, 2013, and \$416,577 for the year ended December 31, 2012. The full amount has been contributed for 2013 and 2012. 92.63% has been contributed for firefighters for 2014.

NOTE 8 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The Township's required contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$7,534, \$3,827, and \$15,521, respectively; 89.26% has been contributed for 2014 and 100% has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The Township's required contributions to OP&F which were allocated to fund post-employment healthcare benefits for firefighters were \$13,144 for the year ended December 31, 2014, \$163,008 for the year ended December 31, 2013, and \$157,310 for the year ended December 31, 2012. The full amount has been contributed for 2013 and 2012. 92.63% has been contributed for firefighters for 2014.

NOTE 9 - RISK MANAGEMENT

Risk Pool Membership

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

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$13,000,000, from the General Reinsurance Corporation.

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

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss. The Travelers Indemnity Company reinsures losses exceeding \$500,000 up to \$600,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
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NOTE 9 - RISK MANAGEMENT - (Continued)

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

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Real and Personal Property	\$6,524,568	\$1,000
Personal Property	304,200	1,000
Newly Acquired Buildings	2,000,000	1,000
Newly Constructed Buildings	2,000,000	1,000
Personal Property at Newly Acquired Leased Locations	2,000,000	1,000
Vehicles	250,000	N/A
Miscellaneous Property	705,338	N/A
Electronic Data Processing Equipment	85,314	500
Dishonesty Securities	25,000	250
Boiler and Equipment Breakdown Protection	6,524,568	2,500

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, 2013 and 2012 (the latest information available):

<u>Casualty Coverage</u>	<u>2013</u>	<u>2012</u>
Assets	\$ 34,954,286	\$ 34,771,270
Liabilities	<u>(8,486,363)</u>	<u>(9,355,082)</u>
Retained earnings	<u>\$ 26,467,923</u>	<u>\$ 25,416,188</u>

At December 31, 2013 and 2012, respectively, liabilities above include approximately \$7.9 million and \$8.7 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$7.4 million and \$7.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$25,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

**PLAIN TOWNSHIP
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 - RISK MANAGEMENT - (Continued)

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.

<u>Contributions to OTARMA</u>	
2013	\$37,984
2014	37,500

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

NOTE 10 - CONTINGENCIES

A. Litigation

The Township is currently not party to any pending litigation.

B. Grants

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2014.

**PLAIN TOWNSHIP
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2014, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	<u>\$ 141,813</u>

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

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

NOTE 12 - OTHER COMMITMENTS

The Township utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Township's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 92,405
Fire district	2,442
Other governmental	<u>67,296</u>
 Total	 <u>\$ 162,143</u>

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of cash receipts, cash disbursements and changes in fund cash balance - budget and actual (budgetary basis) presented for the general fund and fire district fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements on the budgetary basis but are not on a cash basis. At December 31, 2014, the encumbrances outstanding at year end (budgetary basis) amounted to \$92,405 for the general fund and \$2,442 for the fire district fund.