



**Auditor of State
Betty Montgomery**

PLAIN TOWNSHIP
FRANKLIN COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Plain Township
Franklin County
P.O. Box 273
New Albany, Ohio 43054

To the Board of Trustees:

We have audited the accompanying financial statements of Plain Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2003, and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2004, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

March 19, 2004

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:						
Local Taxes	\$586,005	\$2,272,339	\$245,314	\$0	\$0	\$3,103,658
Intergovernmental	285,039	328,151	29,318	0	0	642,508
Charges for Services	0	507,896	0	0	0	507,896
Licenses, Permits, and Fees	6,029	23,171	0	0	0	29,200
Earnings on Investments	29,154	2,143	0	12,822	4	44,123
Gifts	0	4,521	0	0	0	4,521
Other Revenue	7,786	93,306	0	127,148	0	228,240
Total Cash Receipts	<u>914,013</u>	<u>3,231,527</u>	<u>274,632</u>	<u>139,970</u>	<u>4</u>	<u>4,560,146</u>
Cash Disbursements:						
Current:						
General Government	511,197	0	0	0	0	511,197
Public Safety	9,865	1,922,139	0	0	0	1,932,004
Public Works	0	115,751	0	0	0	115,751
Health	15,029	47,418	0	0	0	62,447
Human Services	6,648	0	0	0	0	6,648
Conservation - Recreation	3,941	282,946	0	0	0	286,887
Miscellaneous	31,560	0	0	0	0	31,560
Debt Service:						
Redemption of Principal	0	0	2,770,000	0	0	2,770,000
Interest and Fiscal Charges	0	0	92,215	0	0	92,215
Capital Outlay	9,009	0	0	810,997	0	820,006
Total Cash Disbursements	<u>587,249</u>	<u>2,368,254</u>	<u>2,862,215</u>	<u>810,997</u>	<u>0</u>	<u>6,628,715</u>
Total Receipts Over/(Under) Disbursements	<u>326,764</u>	<u>863,273</u>	<u>(2,587,583)</u>	<u>(671,027)</u>	<u>4</u>	<u>(2,068,569)</u>
Other Financing Receipts and (Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	0	0	2,100,000	0	0	2,100,000
Transfers-In	0	0	86,639	150,000	0	236,639
Advances-In	0	0	400,000	0	0	400,000
Transfers-Out	(86,639)	(150,000)	0	0	0	(236,639)
Advances-Out	0	0	0	(400,000)	0	(400,000)
Total Other Financing Receipts/(Disbursements)	<u>(86,639)</u>	<u>(150,000)</u>	<u>2,586,639</u>	<u>(250,000)</u>	<u>0</u>	<u>2,100,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	240,125	713,273	(944)	(921,027)	4	31,431
Fund Cash Balances, January 1, 2003	<u>650,824</u>	<u>1,459,885</u>	<u>78,218</u>	<u>1,246,012</u>	<u>2,005</u>	<u>3,436,944</u>
Fund Cash Balances, December 31, 2003	<u>\$890,949</u>	<u>\$2,173,158</u>	<u>\$77,274</u>	<u>\$324,985</u>	<u>\$2,009</u>	<u>\$3,468,375</u>
Reserve for Encumbrances, December 31, 2003	<u>\$20,070</u>	<u>\$83,192</u>	<u>\$0</u>	<u>\$13,544</u>	<u>\$0</u>	<u>\$116,806</u>

The notes to the financial statements are an integral part of this statement.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$8
Total Operating Cash Receipts	8
Operating Cash Disbursements:	
Total Operating Cash Disbursements	0
Net Receipts Over Disbursements	8
Fund Cash Balance, January 1, 2003	3,173
Fund Cash Balance, December 31, 2003	\$3,181

The notes to the financial statements are an integral part of this statement.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Local Taxes	\$419,121	\$2,047,134	\$295,911	\$0	\$0	\$2,762,166
Intergovernmental	250,977	302,876	36,021	0	0	589,874
Charges for Services	0	143,129	0	0	0	143,129
Licenses, Permits, and Fees	5,094	21,470	0	0	0	26,564
Earnings on Investments	47,423	4,917	0	47,722	11	100,073
Gifts	0	4,625	0	711,003	0	715,628
Other Revenue	19,072	135,487	0	17,500	0	172,059
Total Cash Receipts	741,687	2,659,638	331,932	776,225	11	4,509,493
Cash Disbursements:						
Current:						
General Government	485,667	0	0	0	0	485,667
Public Safety	7,647	1,686,072	0	0	0	1,693,719
Public Works	0	137,485	0	0	0	137,485
Health	15,029	34,854	0	0	0	49,883
Human Services	6,648	0	0	0	0	6,648
Conservation - Recreation	0	594	0	0	0	594
Miscellaneous	0	24,892	0	0	0	24,892
Debt Service:						
Redemption of Principal	0	0	2,750,000	0	0	2,750,000
Interest and Fiscal Charges	0	0	113,145	0	0	113,145
Capital Outlay	9,009	12,766	0	2,652,462	0	2,674,237
Total Cash Disbursements	524,000	1,896,663	2,863,145	2,652,462	0	7,936,270
Total Receipts Over/(Under) Disbursements	217,687	762,975	(2,531,213)	(1,876,237)	11	(3,426,777)
Other Financing Receipts and (Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	0	0	5,000,000	0	0	5,000,000
Transfers-In	0	0	50,000	2,158,000	0	2,208,000
Advances-In	0	0	2,000,000	2,500,000	0	4,500,000
Transfers-Out	(50,000)	(158,000)	(2,000,000)	0	0	(2,208,000)
Advances-Out	0	0	(2,500,000)	(2,000,000)	0	(4,500,000)
Total Other Financing Receipts/(Disbursements)	(50,000)	(158,000)	2,550,000	2,658,000	0	5,000,000
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	167,687	604,975	18,787	781,763	11	1,573,223
Fund Cash Balances, January 1, 2002	483,137	854,910	59,431	464,249	1,994	1,863,721
Fund Cash Balances, December 31, 2002	\$650,824	\$1,459,885	\$78,218	\$1,246,012	\$2,005	\$3,436,944
Reserve for Encumbrances, December 31, 2002	\$7,778	\$28,207	\$0	\$528,434	\$0	\$564,419

The notes to the financial statements are an integral part of this statement.

PLAIN TOWNSHIP
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investments	\$24
Total Operating Cash Receipts	24
Operating Cash Disbursements:	
Total Operating Cash Disbursements	0
Net Receipts Over Disbursements	24
Fund Cash Balance, January 1, 2002	3,149
Fund Cash Balance, December 31, 2002	<u><u>\$3,173</u></u>

The notes to the financial statements are an integral part of this statement.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Plain Township, Franklin County, Ohio, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and 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 disbursements, respectively.

U.S. Treasury Notes and the Repurchase agreement are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire District Fund - This fund receives property tax and intergovernmental revenues for maintaining and operating the Township fire department.

3. Debt Service Funds

The Debt Service Funds are used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

General Obligation – Bond Retirement (Fire Facilities Bonds) – This fund receives property tax and intergovernmental revenue for the purpose of paying bonded debt originally used for construction of a fire station.

General Obligation – Note Retirement (Fire Facilities Notes) – This fund receives property tax and intergovernmental revenue for the purpose of paying debt used in constructing, equipping and furnishing the fire station.

General Obligation – Note Retirement (Swimming Pool Note) – This fund will be levying a property tax for the purpose of paying the debt used in constructing, equipping and furnishing the swimming pool, once bonds are issued to replace the bond anticipation note.

4. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Projects Funds:

Permanent Improvement Fire – This fund receives revenue from various miscellaneous sources for the purchase of equipment for the fire department.

Permanent Improvement Pool – This fund receives revenue from transfers and various miscellaneous sources for construction and equipment purchases relating to the Township pool.

5. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Mausoleum Trust (Expendable) – Interest earnings are posted to the Mausoleum Fund and are designated for the upkeep of family headstones and plots located in Maplewood cemetery.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

5. Fiduciary Funds (Trust Funds)

Ulry Trust (Non-expendable) – Interest earning are posted to the ULRY trust fund and are designated for the upkeep of the family plot located in Maplewood cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand deposits	\$2,947,596	\$2,804,562
Money Market	0	260,248
Total deposits	2,947,596	3,064,810
U.S. Treasury Notes	0	199,983
STAR Ohio	523,960	175,324
Total investments	523,960	375,307
Total deposits and investments	\$3,471,556	\$3,440,117

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$854,780	\$914,013	\$59,233
Special Revenue	3,009,898	3,231,527	221,629
Debt Service	2,882,504	2,861,271	(21,233)
Capital Projects	300,000	289,970	(10,030)
Expendable Trust	11	4	(7)
Non-Expendable Trust	20	8	(12)
Total	\$7,047,213	\$7,296,793	\$249,580

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$874,750	\$693,958	\$180,792
Special Revenue	3,129,313	2,601,446	527,867
Debt Service	2,872,115	2,862,215	9,900
Capital Projects	1,295,682	1,224,541	71,141
Expendable Trust	900	0	900
Non-Expendable Trust	100	0	100
Total	<u>\$8,172,860</u>	<u>\$7,382,160</u>	<u>\$790,700</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$666,187	\$741,687	\$75,500
Special Revenue	2,618,789	2,659,638	40,849
Debt Service	8,077,772	7,381,932	(695,840)
Capital Projects	5,893,500	5,434,225	(459,275)
Expendable Trust	20	11	(9)
Non-Expendable Trust	30	24	(6)
Total	<u>\$17,256,298</u>	<u>\$16,217,517</u>	<u>(\$1,038,781)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,037,930	\$581,778	\$456,152
Special Revenue	2,449,062	2,082,870	366,192
Debt Service	7,821,810	7,363,145	458,665
Capital Projects	6,288,928	5,180,896	1,108,032
Expendable Trust	900	0	900
Non-Expendable Trust	100	0	100
Total	<u>\$17,598,730</u>	<u>\$15,208,689</u>	<u>\$2,390,041</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. PROPERTY TAX (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

Debt Type	<u>Principal</u>	<u>Interest Rate</u>
Fire Station Construction Bonds	\$840,000	4.20%
Fire Facilities Notes	60,000	5.50%
Swimming Pool Notes	2,100,000	1.98%
Total	<u>\$3,000,000</u>	

Fire Station Construction Bonds and Fire Facility Notes, with interest rates of 4.4 and 5.5%, were issued in 1998 for the purpose of constructing, equipping and furnishing a fire house and are general obligations of the Township. The Swimming Pool Notes were originally issued April 15, 2002, to construct, furnish, and equip the pool and to landscape and improve the site, thereof. The Swimming Pool Notes were rolled over in 2003 and in January, 2004, bonds were issued and the notes were retired.

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

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligations Bonds	Fire Facilities Notes	Swimming Pool Note
2004	\$251,295	\$63,300	\$2,117,325
2005	252,158		
2006	424,742		
Total	<u>\$928,195</u>	<u>\$63,300</u>	<u>\$2,117,325</u>

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. RETIREMENT SYSTEMS (continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, the Township contributed the firefighter's 10.0% and the employer's 24.0% to the OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 & 2003. The Township has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA provides property and casualty insurance 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 Insurance

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

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

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

7. RISK MANAGEMENT (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 2002 and 2001 (the latest information available):

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$23,757,036	\$23,703,776
Liabilities	<u>(9,197,512)</u>	<u>(9,379,003)</u>
Retained earnings	<u>\$14,559,524</u>	<u>\$14,324,773</u>

<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$6,596,996	\$5,011,131
Liabilities	<u>(1,204,326)</u>	<u>(647,667)</u>
Retained earnings	<u>\$5,392,670</u>	<u>\$4,363,464</u>

The Township also provides health, dental and vision insurance to full-time employee through a private carrier.

8. SUBSEQUENT EVENT

The Board approved the issuance of bonds on January 29, 2004 to rollover a \$2,100,000 Swimming Pool Bond Anticipation into a Bond, whose maturity was February 18, 2004.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Plain Township
Franklin County
PO Box 273
New Albany, Ohio 43054

To the Board of Trustees:

We have audited the accompanying financial statements of Plain Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated March 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated March 19, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 19, 2004.

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Plain Township
Franklin County
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Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

March 19, 2004



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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PLAIN TOWNSHIP

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 10, 2004**