



Dave Yost • Auditor of State

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2017	5
Notes to the Financial Statements – For the Year Ended December 31, 2017	6
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2016	12
Statement of Activities – Cash Basis – For the Year Ended December 31, 2016.....	13
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis - Governmental Funds – December 31, 2016	14
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis – Governmental Funds – For the Year Ended December 31, 2016	15
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – For the Year Ended December 31, 2016	
General Fund.....	16
Gasoline Tax Fund	17
Road and Bridge Fund	18
Fire Levy Fund.....	19
Notes to the Basic Financial Statements	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31
Schedule of Findings.....	33
Summary Schedule of Prior Audit Findings (Prepared by Management)	35

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Plain Township
Wood County
18617 Brim Road
Bowling Green, Ohio 43402

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Plain Township, Wood County, Ohio (the Township) as of and for the year ended December 31, 2017 and the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

For 2017, management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. For 2016, management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the 2017 financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Plain Township, Wood County as of December 31, 2017, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Plain Township, Wood County, Ohio, as of December 31, 2016, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, and Fire Levy funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

For 2016, we draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 10 to the financial statements, during 2017, the Township has elected to change its financial presentation to an accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP). We issued an adverse opinion on the 2017 financial statements for not following GAAP and an unmodified opinion on the regulatory basis presented.

As discussed in Note 11 to the financial statements, during 2016, the Township has elected to change its financial presentation to a cash basis comparable to the requirements of *Governmental Accounting Standards*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

December 5, 2018

This page intentionally left blank.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$82,570	\$117,965		\$200,535
Licenses, Permits and Fees	2,900			2,900
Intergovernmental	118,891	123,851		242,742
Earnings on Investments	186			186
Miscellaneous	7,371	700	\$700	8,771
<i>Total Cash Receipts</i>	<u>211,918</u>	<u>242,516</u>	<u>700</u>	<u>455,134</u>
Cash Disbursements				
Current:				
General Government	100,045			100,045
Public Safety		59,241		59,241
Public Works		54,113		54,113
Health	3,704	194		3,898
Capital Outlay	20,745	50,435		71,180
<i>Total Cash Disbursements</i>	<u>124,494</u>	<u>163,983</u>		<u>288,477</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>87,424</u>	<u>78,533</u>	<u>700</u>	<u>166,657</u>
Other Financing Uses				
Other Financing Uses	(805)			(805)
<i>Net Change in Fund Cash Balances</i>	86,619	78,533	700	165,852
<i>Fund Cash Balances, January 1</i>	<u>939,108</u>	<u>686,531</u>	<u>6,802</u>	<u>1,632,441</u>
Fund Cash Balances, December 31				
Restricted		765,064	7,502	772,566
Assigned	515,298			515,298
Unassigned	510,429			510,429
<i>Fund Cash Balances, December 31</i>	<u>\$1,025,727</u>	<u>\$765,064</u>	<u>\$7,502</u>	<u>\$1,798,293</u>

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

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Plain Township, Wood County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with Washington and Middleton Townships, the Village of Weston, and the Central Joint Fire District to provide fire services.

Public Entity Risk Pool

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. Note 7 to the financial statements provide additional information for this entity.

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

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Fire Levy Fund The fire levy fund accounts for and reports monies levied to provide fire equipment and services to Township residents.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Funds:

Cemetery Perpetual Care Fund – The cemetery perpetual care fund accounts for and reports a portion of the monies received for opening and closing fees for the purpose of funding future cemetery upkeep.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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 approve estimated resources.

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 2017 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

Note 3 – Compliance

Contrary to Ohio Rev. Code § 5705.10(D), the Township incorrectly recorded receipts.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$194,264	\$211,918	\$17,654
Special Revenue	241,505	242,516	1,011
Capital Projects	350	700	350
Total	<u>\$436,119</u>	<u>\$455,134</u>	<u>\$19,015</u>

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$992,878	\$126,419	\$866,459
Special Revenue	737,130	200,014	537,116
Capital Projects	250	250	250
Total	<u>\$1,730,258</u>	<u>\$326,433</u>	<u>\$1,403,825</u>

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 5 – Deposits

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

	2017
Demand deposits	\$1,672,050
Certificates of deposit	126,243
Total deposits	1,798,293

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

Note 6 – Property Taxes

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

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

Note 7 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017.

	2017
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$2,000.

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.

2017 Contributions to OTARMA
\$5,182

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

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Eight employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

Note 10 – Change in Basis of Accounting

In 2016, the Township reported their financial statements by fund type using the cash basis of accounting. For 2017, the Township has implemented the regulatory basis of accounting described in Note 2. The fund financial statements now present a column for each fund type, rather than each major fund in a separate column with nonmajor funds aggregated and presented in a single column. The Township no longer presents entity wide financial statements.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2016**

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,632,441</u>
Net Position	
Restricted for:	
Cemetery	\$32,555
Fire Operations	69,635
Road and Bridge	591,143
Unrestricted	<u>939,108</u>
<i>Total Net Position</i>	<u>\$1,632,441</u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			Governmental Activities
Current:			
General Government	\$92,805		(\$92,805)
Public Safety	52,024		(41,613)
Public Works	70,952		(383)
Health	7,762		(7,762)
Other	945	\$3,462	4,450
Capital Outlay	280,135		(231,167)
<i>Total Governmental Activities</i>	<u>\$504,623</u>	<u>\$3,462</u>	<u>(369,280)</u>
		General Receipts:	
		Property Taxes	\$204,012
		Grants and Entitlements not Restricted	119,651
		Earnings on Investments	182
		Miscellaneous	1,108
		Total General Receipts	<u>324,953</u>
		<i>Change in Net Position</i>	(44,327)
		<i>Net Position Beginning of Year</i>	<u>1,676,768</u>
		<i>Net Position End of Year</i>	<u>\$1,632,441</u>

See accompanying notes to the basic financial statements

PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in Pooled Cash and Cash Equivalents	\$939,108	\$365,400	\$132,532	\$69,635	\$125,766	\$1,632,441
Fund Balances						
Restricted		\$365,400	\$132,532	\$69,635	\$125,766	\$693,333
Assigned	\$798,614					798,614
Unassigned	140,494					140,494
<i>Total Fund Balances</i>	<u>\$939,108</u>	<u>\$365,400</u>	<u>\$132,532</u>	<u>\$69,635</u>	<u>\$125,766</u>	<u>\$1,632,441</u>

See accompanying notes to the basic financial statements

PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Gasoline Tax	Road and Bridge	Fire Levy	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$84,079		\$66,225	\$53,708		\$204,012
Licenses, Permits and Fees	3,163				\$299	3,462
Intergovernmental	119,651	\$86,843	13,264	10,411	19,813	249,982
Earnings on Investments	182					182
Miscellaneous	156				1,550	1,706
<i>Total Receipts</i>	<u>207,231</u>	<u>86,843</u>	<u>79,489</u>	<u>64,119</u>	<u>21,662</u>	<u>459,344</u>
Disbursements						
Current:						
General Government	91,684		619	502		92,805
Public Safety				52,024		52,024
Public Works		32,291	18,458		20,203	70,952
Health	7,495				267	7,762
Capital Outlay		48,000	199,173		32,962	280,135
<i>Total Disbursements</i>	<u>99,179</u>	<u>80,291</u>	<u>218,250</u>	<u>52,526</u>	<u>53,432</u>	<u>503,678</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>108,052</u>	<u>6,552</u>	<u>(138,761)</u>	<u>11,593</u>	<u>(31,770)</u>	<u>(44,334)</u>
Other Financing Sources (Uses)						
Other Financing Sources	952					952
Other Financing Uses	(945)					(945)
<i>Total Other Financing Sources (Uses)</i>	<u>7</u>					<u>7</u>
<i>Net Change in Fund Balances</i>	108,059	6,552	(138,761)	11,593	(31,770)	(44,327)
<i>Fund Balances Beginning of Year</i>	<u>831,049</u>	<u>358,848</u>	<u>271,293</u>	<u>58,042</u>	<u>157,536</u>	<u>1,676,768</u>
<i>Fund Balances End of Year</i>	<u>\$939,108</u>	<u>\$365,400</u>	<u>\$132,532</u>	<u>\$69,635</u>	<u>\$125,766</u>	<u>\$1,632,441</u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$91,933	\$93,924	\$84,079	(\$9,845)
Licenses, Permits and Fees			3,163	3,163
Intergovernmental	21,084	21,084	119,651	98,567
Earnings on Investments			182	182
Miscellaneous			156	156
<i>Total Receipts</i>	<u>113,017</u>	<u>115,008</u>	<u>207,231</u>	<u>92,223</u>
Disbursements				
Current:				
General Government	619,000	625,000	94,224	530,776
Public Safety	33,334	33,334		33,334
Health	15,000	15,000	8,500	6,500
<i>Total Disbursements</i>	<u>667,334</u>	<u>673,334</u>	<u>102,724</u>	<u>570,610</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(554,317)</u>	<u>(558,326)</u>	<u>104,507</u>	<u>662,833</u>
Other Financing Sources (Uses)				
Other Financing Sources			952	952
Other Financing Uses	(1,000)	(1,000)	(945)	55
<i>Total Other Financing Sources (Uses)</i>	<u>(1,000)</u>	<u>(1,000)</u>	<u>7</u>	<u>1,007</u>
<i>Net Change in Fund Balance</i>	<u>(555,317)</u>	<u>(559,326)</u>	<u>104,514</u>	<u>663,840</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	825,852	825,852	825,852	
Prior Year Encumbrances Appropriated	5,197	5,197	5,197	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$275,732</u>	<u>\$271,723</u>	<u>\$935,563</u>	<u>\$663,840</u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$67,358	\$67,358	\$86,843	\$19,485
Disbursements				
Current:				
Public Works	85,082	85,082	32,727	52,355
Capital Outlay	130,000	130,000	48,000	82,000
<i>Total Disbursements</i>	<u>215,082</u>	<u>215,082</u>	<u>80,727</u>	<u>134,355</u>
<i>Net Change in Fund Balance</i>	(147,724)	(147,724)	6,116	153,840
<i>Unencumbered Fund Balance Beginning of Year</i>	318,996	318,996	318,996	
Prior Year Encumbrances Appropriated	<u>39,852</u>	<u>39,852</u>	<u>39,852</u>	
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$211,124</u></u>	<u><u>\$211,124</u></u>	<u><u>\$364,964</u></u>	<u><u>\$153,840</u></u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$72,579	\$74,150	\$66,225	(\$7,925)
Intergovernmental	13,050	13,050	13,264	214
<i>Total Receipts</i>	<u>85,629</u>	<u>87,200</u>	<u>79,489</u>	<u>(7,711)</u>
Disbursements				
Current:				
General Government		1,000	619	381
Public Works	37,500	37,500	23,902	13,598
Capital Outlay	125,000	210,000	199,173	10,827
<i>Total Disbursements</i>	<u>162,500</u>	<u>248,500</u>	<u>223,694</u>	<u>24,806</u>
<i>Net Change in Fund Balance</i>	(76,871)	(161,300)	(144,205)	17,095
<i>Unencumbered Fund Balance Beginning of Year</i>	262,862	262,862	262,862	
Prior Year Encumbrances Appropriated	<u>8,431</u>	<u>8,431</u>	<u>8,431</u>	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$194,422</u>	<u>\$109,993</u>	<u>\$127,088</u>	<u>\$17,095</u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$58,414	\$59,834	\$53,708	(\$6,126)
Intergovernmental			10,411	10,411
<i>Total Receipts</i>	<u>58,414</u>	<u>59,834</u>	<u>64,119</u>	<u>4,285</u>
Disbursements				
Current:				
General Government		1,100	502	598
Public Safety	52,500	52,250	52,024	226
<i>Total Disbursements</i>	<u>52,500</u>	<u>53,350</u>	<u>52,526</u>	<u>824</u>
<i>Net Change in Fund Balance</i>	5,914	6,484	11,593	5,109
<i>Unencumbered Fund Balance Beginning of Year</i>	56,370	56,370	56,370	
Prior Year Encumbrances Appropriated	<u>1,672</u>	<u>1,672</u>	<u>1,672</u>	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$63,956</u>	<u>\$64,526</u>	<u>\$69,635</u>	<u>\$5,109</u>

See accompanying notes to the basic financial statements

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1 – Reporting Entity

Plain Township, Wood County, Ohio (the Township), is a body politic and corporate 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The primary government of the Township provides the following services to its citizens: general government services, maintenance of Township roads and bridges, and cemetery maintenance. The Township contracts with Washington and Middleton Townships, the Village of Weston, and the Central Joint Fire District to provide fire services.

Public Entity Risk Pool

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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 the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

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 fund financial statements 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balances 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 are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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.

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. The funds of the Township are classified as governmental.

Governmental Funds Governmental funds are those through which all governmental functions of the Township are financed. The following are the Township's major governmental funds

General The general fund accounts for and reports all financial resources not accounted for and reported 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.

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

Fire Levy Fund The fire levy fund accounts for and reports monies levied to provide fire equipment and services to Township residents.

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

Basis of Accounting

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

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

Budgetary Process

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

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The appropriations resolution 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 fund, function, and object level for all funds.

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

The appropriations resolution 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 resolution 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.

Cash

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

Interest earnings are allocated to Township funds according to State statutes. Interest receipts credited to the General Fund during 2016 was \$182 which includes \$74 assigned from other Township funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township has no restricted assets.

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.

Capital Assets

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

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.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Net Position

Net 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. Net position restricted for other purposes include resources restricted for Cemetery, Fire Operations, and Road and Bridge Maintenance and Improvements. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

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 category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

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 or 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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3 – Accountability and Compliance

Contrary to Ohio Rev. Code § 5705.10(D), the Township posted homestead and rollback receipts to the General Fund instead of the Road and Bridge Fund in the amount of \$13,264 and the Fire Fund in the amount of \$10,411.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue funds are 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 that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$3,545 in the General Fund, \$436 in the Gasoline Tax Major Special Revenue Fund, and \$5,444 in the Road and Bridge Major Special Revenue Fund.

Note 5 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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.

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.

At year end, the Township had \$0 in undeposited cash on hand.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of the Township's bank balance of \$1,632,441 was exposed to custodial credit risk.

Note 6 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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 personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The full tax rate for all Township operations for the year ended December 31, 2016, was \$4.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

Real Property	\$28,311,220
Public Utility Personal Property	2,789,130
Total	<u>\$31,100,350</u>

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

Note 7 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	2016
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$2,000.

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.

2016 Contributions to OTARMA
\$5,228

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

Note 8 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The Township's contractually required contribution was \$11,034 for year 2016.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Substantially all of the Township's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$1,576, \$1,931, and \$1,792, respectively. The full amount has been contributed for all three years.

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Gasoline Tax	Road and Bridge	Fire Levy	Other Governmental Funds	Total
Restricted for						
Cemetery					\$32,555	\$32,555
Fire Operations				\$69,635		69,635
Road and Bridge		\$365,400	\$132,532		93,211	591,143
<i>Total Restricted</i>		<u>365,400</u>	<u>132,532</u>	<u>69,635</u>	<u>125,766</u>	<u>693,333</u>
Assigned to						
Projected Budget Deficit Allocation	\$798,614					798,614
Unassigned						
	140,494					140,494
<i>Total Fund Balances</i>	<u>\$939,108</u>	<u>\$365,400</u>	<u>\$132,532</u>	<u>\$69,635</u>	<u>\$125,766</u>	<u>\$1,632,441</u>

Note 11 – Change in Basis of Accounting

In 2015, the Township reported their financial statements by fund type using the regulatory basis of accounting as prescribed by Ohio Rev. Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). For 2016, the Township has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. The Township also now presents entity wide financial statements.



Dave Yost • Auditor of State

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

Plain Township
Wood County
18617 Brim Road
Bowling Green, Ohio 43402

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Plain Township, Wood County, (the Township) as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated December 5, 2018, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plain Township, Wood County, (the Township) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 5, 2018, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the Township elected to change its financial presentation to an accounting basis permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) for 2017 and changed its financial presentation to the cash basis comparable to the requirements of *Governmental Accounting Standards* for 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2017-002.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

December 5, 2018

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2017-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 (codified as GASB Cod 1800.165-.179) requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. The following adjustments are included in the accompanying 2017 and 2016 financial statements:

- Errors in posting Homestead and Rollback to the Taxes line item during 2017 resulted in Intergovernmental line item being understated by \$11,135, \$8,792, and \$6,898 in the General Fund, Road and Bridge and Fire Funds respectively.
- Errors in posting Homestead and Rollback to the Taxes line item during 2016 resulted in Intergovernmental line item being understated by \$16,800 in the General Fund.
- On the 2016 Statement of Net Position, the fund balance for the Cemetery PP Care Fund was improperly classified as unrestricted rather than restricted.
- In 2016, due to the noted errors with property taxes and intergovernmental revenue, the following changes were made to the Statement of Activities: General Government disbursements decreased by \$6,155, General Receipts: Property Taxes decreased by \$46,630, Operating Grants and Contributions: Other decreased by \$89,663, General Receipts: Grants and Entitlements increased by \$106,463, Operating Grants and Contributions: Public Works decreased by \$35,704, Operating Grants and Contributions: Public Safety increased by \$10,411, and Operating Grants and Contributions: Capital Outlay increased by \$48,968.
- In 2016, Net Position was improperly classified as Restricted for Other Purposes instead of Restricted for: Cemetery, Fire Operations, and Road and Bridge in the amounts of \$32,555, 69,635, and \$591,143, respectively.
- In 2017 and 2016, fund balance was improperly classified as unassigned instead of assigned in the General Fund in the amounts of \$515,298 and \$798,614, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. The accompanying financial statements, notes to the financial statements, and accounting records have been adjusted to correct these errors. Additional audit adjustments were made in smaller relative amounts for additional reasons.

To help ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board of Trustees, to identify and correct errors and omissions. The Fiscal Officer should also review the Township Handbook and Audit Bulletin 2011-004 for information on GASB Statement No. 54. The Board of Trustees should also review the Township's statements to help ensure all transactions are being properly posted to the financial statements.

FINDING NUMBER 2017-002

Noncompliance and Material Weakness

Ohio Rev. Code §5705.10(D) provides that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

In 2016, the Township inappropriately recorded \$23,675 of homestead and rollback receipts as property taxes in the General Fund. Given the source of the revenue, this should have been recorded as Intergovernmental receipts in the Road and Bridge and Fire Levy Funds for \$13,264 and, \$10,411, respectively. Audit Adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

In 2016, the Township inappropriately recorded property tax revenue in excess of the information provided by the Wood County Auditor's Office in the amounts of \$2,737, \$2,160, and \$1,258 in the General, Road and Bridge, and Fire Levy Funds respectively. In 2016, the Township inappropriately recorded the fees associated with property tax revenues in excess of the information provided by the Wood County Auditor's Office in the amounts of \$1,195, \$2,759, and \$2,201 in the General, Road and Bridge, and Fire Levy Funds respectively. Audit Adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

During 2017, the Fiscal Officer corrected two of the homestead and rollback receipts received in 2016 by adjusting \$15,767 from the General Fund to the Road and Bridge, and Fire Levy Funds in the amounts of \$8,837 and 6,930, respectively.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials Response:

We did not receive a response from Officials to the findings reported above.

**PLAIN TOWNSHIP
WOOD COUNTY, OHIO
18617 BRIM ROAD
BOWLING GREEN, OHIO 43402**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Finding was first issued in the 2014-2015 audit. Material Weakness for material posting errors resulting in reclassifications posted to the financial statements.	Not Corrected – Repeated as Finding 2017-001 in this report.	Recurrence occurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. Township Trustees will perform detailed reviews of financial information to ensure monies are properly posted.
2015-002	Finding was first issued in the 2014-2015 audit. Noncompliance with Ohio Rev. Code § 5705.10(D) and Material Weakness for material posting errors between funds.	Not Corrected – Repeated as Finding 2017-002 in this report	Recurrence occurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. Township Trustees will perform detailed reviews of financial information to ensure monies are properly posted.

This page intentionally left blank.



Dave Yost • Auditor of State

PLAIN TOWNSHIP

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 27, 2018**