



OHIO AUDITOR OF STATE
KEITH FABER



**PLAIN TOWNSHIP
FRANKLIN COUNTY
DECEMBER 31, 2020 & 2019**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis for fiscal year end December 31, 2020.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position-Cash Basis for fiscal year end December 31, 2020	11
Statement of Activities-Cash Basis for fiscal year end December 31, 2020	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances	
Governmental Funds for fiscal year end December 31, 2020.....	13
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balances	
Governmental Funds for fiscal year end December 31, 2020.....	14
Statement of Receipts, Disbursements and Changes in	
Fund Balance – Budget and Actual (Budgetary Basis) for fiscal year end December 31, 2020	
General Fund.....	15
Fire District Fund	16
Gas Tax Fund.....	17
Notes to the Basic Financial Statements for fiscal year end December 31, 2020	18
Management's Discussion and Analysis for fiscal year end December 31, 2019.....	40
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position-Cash Basis for fiscal year end December 31, 2019	50
Statement of Activities-Cash Basis for fiscal year end December 31, 2019	51
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances	
Governmental Funds for fiscal year end December 31, 2019.....	52
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balances	
Governmental Funds for fiscal year end December 31, 2019.....	53
Statement of Receipts, Disbursements and Changes in	
Fund Balance – Budget and Actual (Budgetary Basis) for fiscal year end December 31, 2019	
General Fund.....	54
Fire District Fund	55
Gas Tax Fund.....	56
Notes to the Basic Financial Statements for fiscal year end December 31, 2019	59

PLAIN TOWNSHIP
FRANKLIN COUNTY
DECEMBER 31, 2020 & 2019

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	83

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plain Township, Franklin County, Ohio (the Township), as of and for the year ended December 31, 2020 and 2019, 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

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 that are 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.

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2020 and 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax Fund and Fire District Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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 15 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion & analysis listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 11, 2022

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2020 within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- For 2020, the total net position of the Township increased \$490,430 or 6.80%.
- For 2020, general cash receipts accounted for \$8,827,796 or 91.43% of total governmental activities cash receipts, program specific cash receipts accounted for \$827,269 or 8.57% of total governmental activities.
- For 2020, the Township had \$9,164,635 in cash disbursements related to governmental activities; \$827,269 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$8,827,796 were adequate to provide for these programs.
- The Township's major funds are the general fund, the fire district fund and the gasoline tax fund. The general fund, one of the Township's major funds, had cash receipts of \$1,075,068 in 2020. The cash disbursements and other financing disbursements of the general fund totaled \$1,260,274 in 2020. The general fund's fund balance decreased \$185,206 from 2019 to 2020.
- The fire district fund, a Township major fund, had cash receipts of \$7,520,625 in 2020. The fire district fund had cash disbursements and other financing disbursements of \$6,935,648 in 2020. The fire district fund balance increased \$584,977 from 2019 to 2020.
- The gasoline tax fund, a Township major fund, had cash receipts of \$143,801 in 2020. The gasoline tax fund had cash disbursements of \$8,277 in 2020. The gasoline tax fund balance increased \$135,524 from \$941,568 to \$1,077,092.

Using this Cash Basis Basic Financial Statements (BFS)

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

Reporting the Township as a Whole

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

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2020?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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

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

In the statement of net position- cash basis and the statement of activities - cash basis, the governmental activities include the Township's programs and services, including fire protection, road and bridge maintenance and repair, and ambulance services. The statement of net position - cash basis and the statement of activities - cash basis can be found on pages 11 and 12 of this report.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the Township's major funds. The Township uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Township's most significant funds. The Township's major governmental funds are the general fund, fire district fund and gasoline tax fund. The analysis of the Township's major governmental funds begins on page 8.

Governmental Funds

All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Township programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities - cash basis due to transfers between governmental funds being eliminated for reporting in the statement of activities - cash basis. The governmental fund statements can be found on pages 13-14 of this report.

The Township's budgetary process accounts for transactions on the budgetary basis of accounting. The difference between the budgetary basis of accounting and the cash basis of accounting is that encumbrances at year-end are recorded as a disbursement on the budgetary basis of accounting whereas on the cash basis, the disbursement is only recorded when cash is paid. The budgetary statements for the general fund, the fire district fund and the gasoline tax fund are presented to demonstrate the Township's compliance with annually adopted budgets. The budgetary statements can be found on pages 15-17 of this report.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Notes to the Financial Statements

The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-40 of this report.

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net position at December 31, 2020 and 2019. The net position at December 31, 2019 has been restated as described in Note 3.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2020</u>	Restated <u>2019</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 7,699,832	\$ 7,209,402
Total assets	<u>7,699,832</u>	<u>7,209,402</u>
<u>Net cash position</u>		
Restricted	5,358,739	4,537,535
Unrestricted	<u>2,341,093</u>	<u>2,671,867</u>
Total net cash position	<u>\$ 7,699,832</u>	<u>\$ 7,209,402</u>

For 2020, net position of the Township increased \$490,430 or 6.80%. The balance of government-wide unrestricted net cash position of \$2,341,093 at December 31, 2020 may be used to meet the government's ongoing obligations to citizens and creditors.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

The table below shows the changes in net position for years 2020 and 2019. The net position at December 31, 2019 has been restated as described in Note 3.

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 415,080	\$ 855,906
Operating grants and contributions	<u>412,189</u>	<u>172,151</u>
Total program cash receipts	<u>827,269</u>	<u>1,028,057</u>
General cash receipts:		
Property and other taxes	7,761,407	7,806,403
Unrestricted grants	585,298	587,974
Investment receipts	57,352	97,636
Miscellaneous	<u>423,739</u>	<u>275,024</u>
Total general cash receipts	<u>8,827,796</u>	<u>8,767,037</u>
Total cash receipts	<u>9,655,065</u>	<u>9,795,094</u>
Cash Disbursements:		
Current:		
General government	949,316	874,125
Public safety	7,044,337	6,814,789
Public works	341,593	313,441
Health	137,473	135,934
Conservation and recreation	199,826	464,156
Capital outlay	366,277	1,346,379
Debt service:		
Principal retirement	102,000	99,000
Interest and fiscal charges	<u>23,813</u>	<u>26,119</u>
Total cash disbursements	<u>9,164,635</u>	<u>10,073,943</u>
Change in net position	490,430	(278,849)
Net position at beginning of year (restated)	<u>7,209,402</u>	<u>7,488,251</u>
Net position at end of year	<u>\$ 7,699,832</u>	<u>\$ 7,209,402</u>

Governmental Activities

Governmental net position increased by \$490,430 in 2020 from 2019.

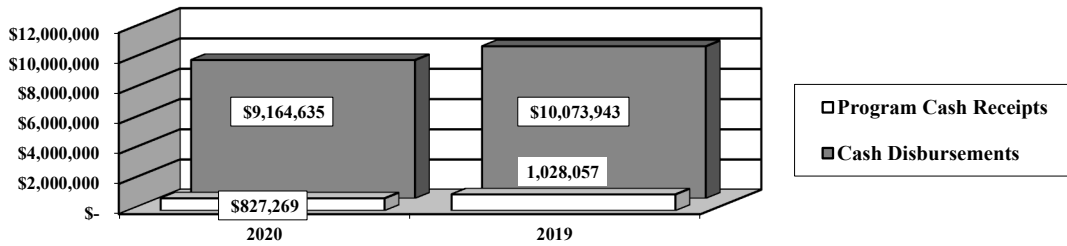
General government represents activities related to the governing body as well as activities that directly support Township programs. In 2020, general government cash disbursements totaled \$982,912 or 10.73% of total governmental cash disbursements. General government programs were supported by \$27,392 in direct charges to users for services. In 2020, the public safety programs accounted for \$7,044,337 or 76.86% of total governmental cash disbursements. These operations are primarily supported through taxes.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the program cash receipts for 2020 and 2019. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements



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

	Governmental Activities			
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Cash disbursements:				
Current:				
General government	\$ 949,316	\$ 794,294	\$ 874,125	\$ 837,152
Public safety	7,044,337	6,584,378	6,814,789	6,392,440
Public works	341,593	170,560	313,441	158,290
Health	137,473	96,218	135,934	98,367
Conservation and recreation	199,826	199,826	464,156	88,139
Capital outlay	366,277	366,277	1,346,379	1,346,379
Debt service:				
Principal retirement	102,000	102,000	99,000	99,000
Interest and fiscal charges	23,813	23,813	26,119	26,119
Total	<u>\$ 9,164,635</u>	<u>\$ 8,337,366</u>	<u>\$ 10,073,943</u>	<u>\$ 9,045,886</u>

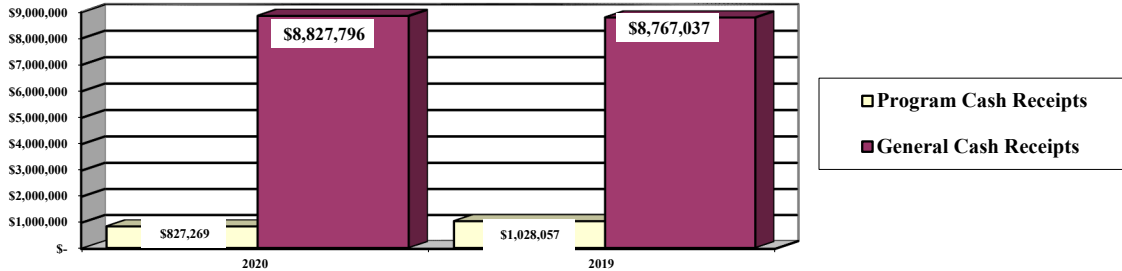
The dependence upon general cash receipts for governmental activities is apparent with 90.97% and 89.79% of cash disbursements supported through taxes and other general cash receipts during 2020 and 2019, respectively.

The graph below presents the Township's governmental receipts for 2020 and 2019.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

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

Governmental Funds

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

At December 31, 2020, the Township's governmental funds reported a combined fund balance of \$7,699,832, which is \$490,430 more than the 2019 total of \$7,209,402. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 and 2019 for all major and nonmajor governmental funds. The fund balances at December 31, 2019 have been restated as described in Note 3.

	Fund Balance <u>December 31, 2020</u>	Restated Fund Balance <u>December 31, 2019</u>	<u>Change</u>
Major Funds:			
General	\$ 2,041,782	\$ 2,226,988	\$ (185,206)
Fire district	3,217,851	2,632,874	584,977
Gasoline tax	1,077,092	941,568	135,524
Nonmajor funds	<u>1,363,107</u>	<u>1,407,972</u>	<u>(44,865)</u>
Total	<u>\$ 7,699,832</u>	<u>\$ 7,209,402</u>	<u>\$ 490,430</u>

General Fund

The general fund, one of the Township's major funds, had cash receipts of \$1,075,068 in 2020. The cash disbursements and other financing disbursements of the general fund totaled \$1,260,274 in 2020. The general fund's fund balance decreased \$185,206 from 2019 to 2020.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 798,033	\$ 811,370	\$ (13,337)
Intergovernmental	156,044	156,799	(755)
License, permits and fees	27,392	36,973	(9,581)
Interest	57,352	97,635	(40,283)
Miscellaneous	<u>36,247</u>	<u>25,471</u>	<u>10,776</u>
Total	<u>\$ 1,075,068</u>	<u>\$ 1,128,248</u>	<u>\$ (53,180)</u>

Investment income cash receipts decreased due to lower interest rates earned on investments.

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

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>
<u>Cash Disbursements</u>			
General government	\$ 899,004	\$ 874,125	\$ 24,879
Public safety	26,926	18,585	8,341
Health	33,646	29,210	4,436
Conservation and recreation	74,885	74,885	-
Capital outlay	<u>-</u>	<u>3,754</u>	<u>(3,754)</u>
Total	<u>\$ 1,034,461</u>	<u>\$ 1,000,559</u>	<u>\$ 33,902</u>

Fire District Fund

The fire district fund, a Township major fund, had cash receipts of \$7,520,625 in 2020. The fire district fund had cash disbursements and other financing disbursements of \$6,935,648 in 2020. The fire district fund balance increased \$584,977 from 2019 to 2020.

Gasoline Tax Fund

The gasoline tax fund, a Township major fund, had cash receipts of \$143,801 in 2020. The gasoline tax fund had cash disbursements of \$8,277 in 2020. The gasoline tax fund balance increased \$135,524 from 2019 to 2020.

Budgeting Highlights - General Fund

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

For 2020, the final budgetary basis receipts of \$1,055,873 were \$19,855 more than the original budget basis receipts of \$1,036,018. Actual cash receipts of \$1,075,068 were \$19,195 greater than final budget basis receipts. The final budgeted disbursements and other financing disbursements of \$1,723,583. Actual budgetary basis disbursements and other financing disbursements of \$1,279,815 were less than final budget estimates by \$443,768.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$366,277 and \$1,346,379 during 2020 and 2019, respectively.

Debt Administration

The Township had the following debt outstanding at December 31, 2020 and 2019:

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
Refunding Bonds - Pool - direct borrowing	<u>\$ 920,000</u>	<u>\$ 1,022,000</u>

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

Current Financial Related Activities

The following economic factors were taken into consideration in preparing the budget for 2020:

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

State funding is uncertain due to projected budget cuts at the State level. For Plain Township the Local government revenue funds were reduced by 1.50% in 2020. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2019. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.9 mil fire levy replacement and reduction (from the 1990 3.0 mil fire levy) for collection in 2015 and payment in 2016 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 4 years.

These economic factors were considered in preparing the Township's budget for 2020. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

Contacting the Township's Financial Management

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 7,699,832
Total assets.	7,699,832
 Net cash position:	
Restricted for:	
Nonexpendable.	2,031
Public safety	3,706,041
Public works	1,503,932
Health and human services	143,574
Ulry cemetery	3,161
Unrestricted.	2,341,093
Total net cash position	\$ 7,699,832

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Cash Receipts</u>			<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
General government	\$ 949,316	\$ 27,392	\$ 127,630	\$ (794,294)
Public safety	7,044,337	346,433	113,526	(6,584,378)
Public works.	341,593	-	171,033	(170,560)
Health	137,473	41,255	-	(96,218)
Conservation and recreation	199,826	-	-	(199,826)
Capital outlay.	366,277	-	-	(366,277)
Debt service:				
Principal retirement	102,000	-	-	(102,000)
Interest and fiscal charges	23,813	-	-	(23,813)
Total governmental activities.	<u>\$ 9,164,635</u>	<u>\$ 415,080</u>	<u>\$ 412,189</u>	<u>(8,337,366)</u>

General receipts:

Property and other taxes levied for:

General purposes	798,033
Public safety - Fire district	6,766,446
Road and bridge improvements.	196,928
Grants and entitlements not restricted to specific programs.	585,298
Investment receipts.	57,352
Miscellaneous	423,739
Total general receipts.	<u>8,827,796</u>
Change in net position	490,430
Net cash position at beginning of year (restated)	<u>7,209,402</u>
Net cash position at end of year	<u>\$ 7,699,832</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 2,041,782	\$ 3,217,851	\$ 1,077,092	\$ 1,363,107	\$ 7,699,832
Total assets	<u>\$ 2,041,782</u>	<u>\$ 3,217,851</u>	<u>\$ 1,077,092</u>	<u>\$ 1,363,107</u>	<u>\$ 7,699,832</u>
Fund balances:					
Nonspendable:					
Permanent fund	\$ -	\$ -	\$ -	\$ 2,031	\$ 2,031
Restricted:					
Public safety programs	-	3,217,851	-	488,190	3,706,041
Public works programs.	-	-	1,077,092	426,840	1,503,932
Health programs	-	-	-	143,574	143,574
Ulry cemetery	-	-	-	3,161	3,161
Committed:					
Conservation and recreation programs	-	-	-	60,192	60,192
Public works programs.	-	-	-	113,520	113,520
Capital improvements - swimming pool.	-	-	-	11,351	11,351
Capital improvements - fire	-	-	-	114,248	114,248
Assigned:					
General government	15,750	-	-	-	15,750
Public safety programs	3,791	-	-	-	3,791
Unassigned.	<u>2,022,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,022,241</u>
Total fund balances	<u>\$ 2,041,782</u>	<u>\$ 3,217,851</u>	<u>\$ 1,077,092</u>	<u>\$ 1,363,107</u>	<u>\$ 7,699,832</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:					
Taxes	\$ 798,033	\$ 6,766,446	\$ -	\$ 196,928	\$ 7,761,407
Intergovernmental	156,044	409,673	134,259	263,388	963,364
Charges for services	-	-	-	346,433	346,433
License, permits and fees	27,392	-	-	41,255	68,647
Interest	57,352	-	9,542	3,918	70,812
Contributions and donations	-	20,663	-	-	20,663
Miscellaneous	36,247	323,843	-	63,649	423,739
Total cash receipts	<u>1,075,068</u>	<u>7,520,625</u>	<u>143,801</u>	<u>915,571</u>	<u>9,655,065</u>
Cash disbursements:					
Current:					
General government	899,004	-	-	50,312	949,316
Public safety	26,926	6,585,648	-	431,763	7,044,337
Public works	-	-	8,277	333,316	341,593
Health	33,646	-	-	103,827	137,473
Conservation and recreation	74,885	-	-	124,941	199,826
Capital outlay	-	-	-	366,277	366,277
Debt service:					
Principal retirement	-	-	-	102,000	102,000
Interest and fiscal charges	-	-	-	23,813	23,813
Total cash disbursements	<u>1,034,461</u>	<u>6,585,648</u>	<u>8,277</u>	<u>1,536,249</u>	<u>9,164,635</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>40,607</u>	<u>934,977</u>	<u>135,524</u>	<u>(620,678)</u>	<u>490,430</u>
Other financing receipts (disbursements):					
Transfers in	-	-	-	575,813	575,813
Transfers out	<u>(225,813)</u>	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>(575,813)</u>
Total other financing receipts (disbursements)	<u>(225,813)</u>	<u>(350,000)</u>	<u>-</u>	<u>575,813</u>	<u>-</u>
Net change in fund balances	(185,206)	584,977	135,524	(44,865)	490,430
Fund balances					
at beginning of year (restated)	<u>2,226,988</u>	<u>2,632,874</u>	<u>941,568</u>	<u>1,407,972</u>	<u>7,209,402</u>
Fund balances at end of year	<u>\$ 2,041,782</u>	<u>\$ 3,217,851</u>	<u>\$ 1,077,092</u>	<u>\$ 1,363,107</u>	<u>\$ 7,699,832</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Taxes	\$ 794,799	\$ 817,479	\$ 798,033	\$ (19,446)
Intergovernmental	133,275	130,450	156,044	25,594
License, permits and fees	31,944	31,944	27,392	(4,552)
Interest.	60,000	60,000	57,352	(2,648)
Miscellaneous	16,000	16,000	36,247	20,247
Total receipts.	<u>1,036,018</u>	<u>1,055,873</u>	<u>1,075,068</u>	<u>19,195</u>
Disbursements:				
Current:				
General government	1,283,197	1,281,562	914,754	366,808
Public safety	44,750	43,608	30,717	12,891
Health	71,000	72,600	33,646	38,954
Conservation and recreation	100,000	100,000	74,885	25,115
Total disbursements	<u>1,498,947</u>	<u>1,497,770</u>	<u>1,054,002</u>	<u>443,768</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(462,929)</u>	<u>(441,897)</u>	<u>21,066</u>	<u>462,963</u>
Other financing disbursements:				
Transfers out.	<u>(225,813)</u>	<u>(225,813)</u>	<u>(225,813)</u>	<u>-</u>
Total other financing disbursements	<u>(225,813)</u>	<u>(225,813)</u>	<u>(225,813)</u>	<u>-</u>
Net change in fund balance.	(688,742)	(667,710)	(204,747)	462,963
Unencumbered fund balance				
at beginning of year.	2,179,466	2,179,466	2,179,466	-
Prior year encumbrances appropriated	<u>47,522</u>	<u>47,522</u>	<u>47,522</u>	<u>-</u>
Unencumbered fund balance at end of year.	<u>\$ 1,538,246</u>	<u>\$ 1,559,278</u>	<u>\$ 2,022,241</u>	<u>\$ 462,963</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Taxes	\$ 6,655,665	\$ 6,786,172	\$ 6,766,446	\$ (19,726)
Intergovernmental.	424,048	408,099	409,673	1,574
Contributions and donations	-	-	20,663	20,663
Miscellaneous.	71,600	71,600	323,843	252,243
Total receipts	<u>7,151,313</u>	<u>7,265,871</u>	<u>7,520,625</u>	<u>254,754</u>
Disbursements:				
Current:				
Public safety.	7,838,943	7,838,670	6,665,648	1,173,022
Total disbursements	<u>7,838,943</u>	<u>7,838,670</u>	<u>6,665,648</u>	<u>1,173,022</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(687,630)</u>	<u>(572,799)</u>	<u>854,977</u>	<u>1,427,776</u>
Other financing disbursements:				
Transfers out.	(350,000)	(350,000)	(350,000)	-
Total other financing disbursements	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	(1,037,630)	(922,799)	504,977	1,427,776
Unencumbered fund balance				
at beginning of year.	2,519,935	2,519,935	2,519,935	-
Prior year encumbrances appropriated.	112,939	112,939	112,939	-
Unencumbered fund balance at end of year.	<u>\$ 1,595,244</u>	<u>\$ 1,710,075</u>	<u>\$ 3,137,851</u>	<u>\$ 1,427,776</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 134,259	\$ 34,259
Interest	3,500	3,500	9,542	6,042
Total receipts	<u>103,500</u>	<u>103,500</u>	<u>143,801</u>	<u>40,301</u>
Disbursements:				
Current:				
Public works	405,000	405,000	8,277	396,723
Total disbursements	<u>405,000</u>	<u>405,000</u>	<u>8,277</u>	<u>396,723</u>
Net change in fund balance	(301,500)	(301,500)	135,524	437,024
Unencumbered fund balance				
at beginning of year.	<u>941,568</u>	<u>941,568</u>	<u>941,568</u>	<u>-</u>
Unencumbered fund balance				
at end of year.	<u>\$ 640,068</u>	<u>\$ 640,068</u>	<u>\$ 1,077,092</u>	<u>\$ 437,024</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - DESCRIPTION OF THE TOWNSHIP

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

JOINTLY GOVERNED ORGANIZATIONS

New Albany - Plain Local Joint Park District

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Rocky Fork-Blacklick Accord

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

Mid-Ohio Regional Planning Commission

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

Metropolitan Emergency Communications Consortium Regional Council of Governments

The Township is a participant in the Metropolitan Emergency Communications Consortium Regional Council of Governments (MECC RCOG), a jointly governed organization. MECC RCOG is composed of representatives from Mifflin, Truro, Violet, Jefferson and Plain Townships. The purpose of the organization is to enable its members to more effectively manage the provision of shared services and programs, including efficient methods of delivery of public safety dispatch operations, fire, law enforcement and emergency medical and related services, technology services and selected benefit services, and to promote cooperative agreements and contracts between its members or other governmental agencies.

JOINT VENTURE

New Albany Performing Arts Center

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

The Center is operated by a 15-member Board of Trustees (the “Board”) consisting of 3 members appointed by the District, 3 members appointed by the Township, 3 members appointed by the Township and 3 member appointed by the Foundation. Those appointed individuals may appoint up to 3 additional members, approved by the owners. The Township does not appoint a voting majority of the Board.

The Township has no ongoing financial interest or responsibility in the operation of the Center other than it is obligated to pay 3/13 of the capital expenses approved on an annual basis. The Board of Directors approves the operating budget of the Center. The operating budget is prepared by the Board of Education and delivered to the Board of Directors and Owners annually by May 31st of each year, including projected expenses, the budget year costs from the Five-Year Capital Improvement Plan, and the Board of Education Usage Charge. “Owners” means the Township, Township and the Township. Complete financial statements for the Center may be obtained from the Treasurer of the New Albany-Plain Local District at 55 North High Street, New Albany, OH 43054.

PUBLIC ENTITY RISK POOL

Ohio Township Association Risk Management Authority

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

B. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

C. Fund Accounting

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

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

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

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

Gasoline tax fund - This fund accounts for revenues derived from gasoline taxes. Expenditures are restricted for road improvements, repairs, street signs, equipment, etc.

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

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

D. Basis of Accounting

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

E. Budgetary Process

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

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

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

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

F. Cash and Investments

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

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

During 2020, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB) discount notes, US Treasury Notes, Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) securities, Negotiable CDs, U.S Government money market mutual fund and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2020 were \$57,352 which includes \$37,073 assigned from other Township funds.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

K. Long-term Obligations

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

L. Net Cash Position

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

M. Fund Balance

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

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

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

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

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

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

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

N. Interfund Activity

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the Township has implemented GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2020. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed.

The following pronouncement is postponed by one year and the Township has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the Township has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

For 2020, the Township has implemented GASB Statement No. 84, "Fiduciary Activities".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The Township reviewed certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2019:

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance as previously reported	\$ 2,226,988	\$ 2,632,874	\$ 941,568	\$ 1,404,811	\$ 7,206,241
GASB Statement No. 84	-	-	-	3,161	3,161
Restated Fund Balance, at December 31, 2019	<u>\$ 2,226,988</u>	<u>\$ 2,632,874</u>	<u>\$ 941,568</u>	<u>\$ 1,407,972</u>	<u>\$ 7,209,402</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at December 31, 2019:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 7,206,241
GASB Statement No. 84	<u>3,161</u>
Restated net position at December 31, 2019	<u>\$ 7,209,402</u>

Related to the implementation of GASB Statement No. 84, the Township will no longer be reporting private purpose trust funds. At December 31, 2019, private purpose trust funds reported a net position of \$3,161.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutes participating in the Ohio Pooled Collateral Systems (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At December 31, 2020, the carrying amount of all Township deposits was \$2,558,058 and the bank balance of all Township deposits was \$2,565,152. Of the bank balance, \$255,192 was covered by the FDIC and the remaining was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

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. The Township has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For 2020, the Township's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

B. Investments

As of December 31, 2020, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLMC	\$ 349,776	\$ 350,382	\$ 250,275	\$ -	\$ -	\$ -	\$ 100,107
FHLB DN	149,792	149,976	149,976	-	-	-	-
US Treasury Notes	173,934	175,462	175,462	-	-	-	-
FHLB	249,240	254,123	-	254,123	-	-	-
FNMA	179,818	180,430	-	-	-	-	180,430
Negotiable CDs	2,421,792	2,500,319	447,719	-	251,530	257,698	1,543,372
US Government money market	17,992	17,992	17,992	-	-	-	-
STAR Ohio	<u>1,599,430</u>	<u>1,599,430</u>	<u>1,599,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,141,774</u>	<u>\$ 5,228,114</u>	<u>\$ 2,640,854</u>	<u>\$ 254,123</u>	<u>\$ 251,530</u>	<u>\$ 257,698</u>	<u>\$ 1,823,909</u>

The weighted average maturity of investments is 1.14 years.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: STAR Ohio and the US Government money market fund carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The Township's investments in federal agency securities (FHLMC, FHLB DN, FHLB, FNMA) and US Treasury Notes were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively.

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

Concentration of Credit Risk: The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2020:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FHLMC	\$ 349,776	6.80
FHLB DN	149,792	2.91
US Treasury Notes	173,934	3.38
FHLB	249,240	4.85
FNMA	179,818	3.50
Negotiable CDs	2,421,792	47.10
US Government money market	17,992	0.35
STAR Ohio	<u>1,599,430</u>	<u>31.11</u>
Total	<u>\$ 5,141,774</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position - cash basis as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,558,058
Carrying amount of investments	<u>5,141,774</u>
Total	<u>\$ 7,699,832</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 7,699,832</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - PROPERTY TAX

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all Township operations for the year ended December 31, 2020, was \$15.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

	<u>2020</u>
Real property tax	\$ 777,208,800
Public utility tangible personal property	<u>58,491,490</u>
Total assessed valuation	<u>\$ 835,700,290</u>

NOTE 6 - DEBT OBLIGATIONS

Transactions for the year ended December 31, 2020 are summarized as follows:

<u>Description</u>	<u>Balance</u> <u>December 31, 2019</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance</u> <u>December 31, 2020</u>
Refunding Bonds - Pool - direct borrowing	\$ 1,022,000	\$ -	\$ (102,000)	\$ 920,000
Total	<u>\$ 1,022,000</u>	<u>\$ -</u>	<u>\$ (102,000)</u>	<u>\$ 920,000</u>

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

Series 2015 Capital Facilities Refunding Bonds: On March 30, 2015, the Township issued \$1,515,000 in pool refunding bonds to refund the Series 2004 capital facilities bonds that were for the construction of the township aquatic center. These bonds are considered a direct borrowing in that the terms have been negotiated directly between the Township and the lender and are not offered for public sale. The bonds were issued for a thirteen year period, with final maturity on December 1, 2028 at an interest rate of 2.33%. The bonds are being retired from the debt service fund (a nonmajor governmental fund).

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2020, are as follows:

Year Ending December 31,	Current Interest Bonds - direct borrowing		
	Principal	Interest	Total
2021	\$ 106,000	\$ 21,436	\$ 127,436
2022	109,000	18,966	127,966
2023	112,000	16,427	128,427
2024	115,000	13,817	128,817
2025	112,000	11,137	123,137
2026 - 2028	<u>366,000</u>	<u>17,149</u>	<u>383,149</u>
Total	<u>\$ 920,000</u>	<u>\$ 98,932</u>	<u>\$ 1,018,932</u>

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees, other than full-time firefighters, 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The Township's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$92,368 for 2020.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3.00% of their base pension or disability benefit.

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

	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
2020 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50 %
Total Employer	24.00 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$794,592 for 2020.

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of 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 75. See OPERS' ACFR 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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$2,857 for 2020.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Township's contractually required contribution to OP&F was \$16,906 for 2020.

NOTE 9 - RISK MANAGEMENT

Risk Pool Membership

The (local entity) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - RISK MANAGEMENT - (Continued)

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (the latest information available):

<u>Casualty Coverage</u>	<u>2020</u>
Cash and investments	\$ 36,348,066
Actuarial liabilities	10,894,146

Insurance Benefits - Health Insurance

The Township provides health insurance to employees through United Health Care.

NOTE 10 - CONTINGENCIES

A. Litigation

The Township is currently not party to any pending litigation.

B. Grants

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2020.

C. Jefferson Health Plan Claims

The Township was previously a member of the Jefferson Health Plan (the "Health Plan"), a claims servicing insurance pool organized under Ohio Revised Code Chapter 167, for the purpose of establishing and carrying out a cooperative program to administer medical, prescription, vision and dental benefits for employees of the participating entities and their eligible dependents. Upon leaving the Health Plan, the Township assumed responsibility for any incurred but not reported (IBNR) claims. At the date of the report, it was unclear the impact these claims would have on future cash disbursements of the Township.

NOTE 11 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers to a nonmajor governmental funds from:</u>	
General fund	\$ 225,813
<u>Transfers to nonmajor governmental fund from:</u>	
Fire district fund	<u>350,000</u>
Total	<u>\$ 575,813</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - INTERFUND TRANSACTIONS - (Continued)

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

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

NOTE 12 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 19,541
Fire district	80,000
Other governmental	<u>180,309</u>
 Total	 <u>\$ 279,850</u>

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

Adjustments necessary to convert the results of operations at the end of the year on the cash basis to the budget basis are as follows:

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>
Cash basis	\$ (185,206)	\$ 584,977	\$ 135,524
Encumbrances	<u>(19,541)</u>	<u>(80,000)</u>	<u>-</u>
Budget basis	<u>\$ (204,747)</u>	<u>\$ 504,977</u>	<u>\$ 135,524</u>

NOTE 14 - TAX ABATEMENTS

The Township, along with the City of New Albany entered into property tax abatement agreements with property owners under The Ohio Community Reinvestment Area ("CRA") program. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the Township and/or Township designates areas to encourage revitalization of the existing housing stock and the development of new structures. The Township has 22 properties that are receiving tax abatements. The total value of taxes abated for 2020 was \$632,196.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio and the pension and other employee benefits plan in which the Township participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2019 within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- For 2019, the total net position of the Township decreased \$278,849 or 3.73%.
- For 2019, general cash receipts accounted for \$8,767,037 or 89.50% of total governmental activities cash receipts, program specific cash receipts accounted for \$1,028,057 or 10.50% of total governmental activities.
- For 2019, the Township had \$10,073,943 in cash disbursements related to governmental activities; \$1,028,057 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$8,767,037 were adequate to provide for these programs.
- The Township's major funds are the general fund, the fire district fund, the gasoline tax fund and the fire equipment fund. The general fund, one of the Township's major funds, had cash receipts of \$1,128,248 in 2019. The cash disbursements and other financing disbursements of the general fund totaled \$1,125,678 in 2019. The general fund's fund balance increased \$2,570 from 2018 to 2019.
- The fire district fund, a Township major fund, had cash receipts of \$7,399,938 in 2019. The fire district fund had cash disbursements and other financing disbursements of \$7,735,495 in 2019. The fire district fund balance decreased \$335,557 from 2018 to 2019.
- The gasoline tax fund, a Township major fund, had cash receipts of \$124,395 in 2019. The gasoline tax fund had cash disbursements of \$66,864 in 2019. The gasoline tax fund balance increased \$57,531 from \$884,037 to \$941,568.
- The fire equipment fund, a Township major fund, had other financing receipts of \$1,280,300 in 2019. The fire equipment fund had cash disbursements of \$1,342,625 in 2019. The fire equipment fund balance decreased \$62,325 from 2018 to 2019.

Using this Cash Basis Basic Financial Statements (BFS)

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Reporting the Township as a Whole

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

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2019?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

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

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the Township's major funds. The Township uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Township's most significant funds. The Township's major governmental funds are the general fund, fire district fund, gasoline tax fund and fire equipment fund. The analysis of the Township's major governmental funds begins on page 9.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Governmental Funds

All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Township programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities - cash basis due to transfers between governmental funds being eliminated for reporting in the statement of activities - cash basis. The governmental fund statements can be found on pages 16-19 of this report.

The Township's budgetary process accounts for transactions on the budgetary basis of accounting. The difference between the budgetary basis of accounting and the cash basis of accounting is that encumbrances at year-end are recorded as a disbursement on the budgetary basis of accounting whereas on the cash basis, the disbursement is only recorded when cash is paid. The budgetary statements for the general fund, the fire district fund and the gasoline tax fund are presented to demonstrate the Township's compliance with annually adopted budgets. The budgetary statements can be found on pages 20-22 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs. A private-purpose trust fund is the Township's only fiduciary fund type. The fiduciary fund financial statements can be found on pages 23 and 24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-47 of this report.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net position at December 31, 2019 and 2018.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 7,206,241	\$ 7,485,090
Total assets	<u>7,206,241</u>	<u>7,485,090</u>
<u>Net cash position</u>		
Restricted	4,534,374	4,896,025
Unrestricted	<u>2,671,867</u>	<u>2,589,065</u>
Total net cash position	<u>\$ 7,206,241</u>	<u>\$ 7,485,090</u>

For 2019, net position of the Township decreased \$278,849 or 3.73%. The balance of government-wide unrestricted net cash position of \$2,671,867 at December 31, 2019 may be used to meet the government's ongoing obligations to citizens and creditors.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The table below shows the changes in net position for years 2019 and 2018.

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 855,906	\$ 875,896
Operating grants and contributions	<u>172,151</u>	<u>133,096</u>
Total program cash receipts	<u>1,028,057</u>	<u>1,008,992</u>
General cash receipts:		
Property and other taxes	7,806,403	7,515,551
Unrestricted grants	587,974	585,055
Investment receipts	97,636	87,560
Miscellaneous	<u>275,024</u>	<u>205,741</u>
Total general cash receipts	<u>8,767,037</u>	<u>8,393,907</u>
Total cash receipts	<u>9,795,094</u>	<u>9,402,899</u>
Cash Disbursements:		
Current:		
General government	874,125	902,926
Public safety	6,814,789	6,443,420
Public works	313,441	236,274
Health	135,934	120,569
Conservation and recreation	464,156	441,255
Capital outlay	1,346,379	384,620
Debt service:		
Principal retirement	99,000	100,000
Interest and fiscal charges	<u>26,119</u>	<u>28,449</u>
Total cash disbursements	<u>10,073,943</u>	<u>8,657,513</u>
Change in net position	(278,849)	745,386
Net position at beginning of year	<u>7,485,090</u>	<u>6,739,704</u>
Net position at end of year	<u>\$ 7,206,241</u>	<u>\$ 7,485,090</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

Governmental Activities

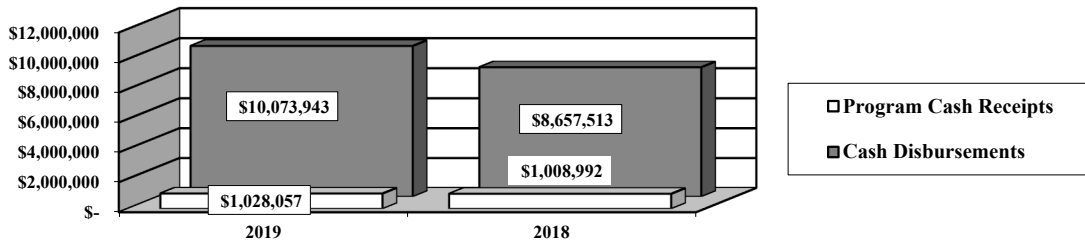
Governmental cash assets decreased by \$278,849 in 2019 from 2018.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2019, general government cash disbursements totaled \$874,125 or 8.68% of total governmental cash disbursements. General government programs were supported by \$36,973 in direct charges to users for services.

In 2019, the public safety programs accounted for \$6,814,789 or 67.65% of total governmental cash disbursements. These operations are primarily supported through taxes.

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the program cash receipts for 2019 and 2018. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements



**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

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

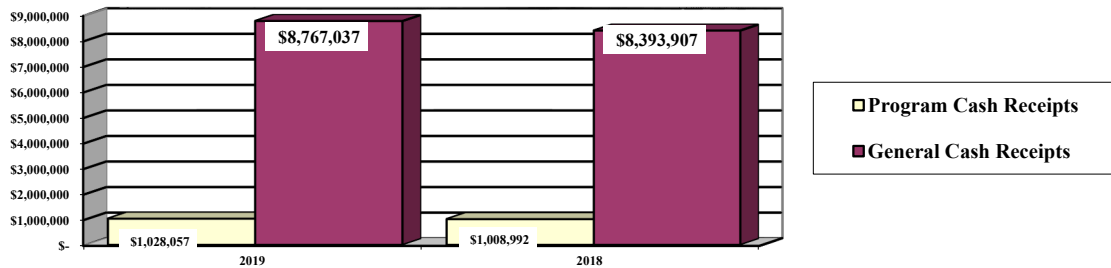
Governmental Activities

	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
Cash disbursements:				
Current:				
General government	\$ 874,125	\$ 837,152	\$ 902,926	\$ 875,138
Public safety	6,814,789	6,392,440	6,443,420	6,058,826
Public works	313,441	158,290	236,274	106,882
Health	135,934	98,367	120,569	(169)
Conservation and recreation	464,156	88,139	441,255	94,775
Capital outlay	1,346,379	1,346,379	384,620	384,620
Debt service:				
Principal retirement	99,000	99,000	100,000	100,000
Interest and fiscal charges	<u>26,119</u>	<u>26,119</u>	<u>28,449</u>	<u>28,449</u>
Total	<u>\$ 10,073,943</u>	<u>\$ 9,045,886</u>	<u>\$ 8,657,513</u>	<u>\$ 7,648,521</u>

The dependence upon general cash receipts for governmental activities is apparent with 89.80% and 88.35% of cash disbursements supported through taxes and other general cash receipts during 2019 and 2018, respectively.

The graph below presents the Township's governmental receipts for 2019 and 2018.

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Governmental Funds

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

At December 31, 2019, the Township's governmental funds reported a combined fund balance of \$7,206,241, which is \$278,849 less than the 2018 total of \$7,485,090. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2019 and 2018 for all major and nonmajor governmental funds.

	<u>Fund Balance December 31, 2019</u>	<u>Fund Balance December 31, 2018</u>	<u>Change</u>
Major Funds:			
General	\$ 2,226,988	\$ 2,224,418	\$ 2,570
Fire district	2,632,874	2,968,431	(335,557)
Fire equipment	111,857	174,182	(62,325)
Gasoline tax	941,568	884,037	57,531
Nonmajor funds	<u>1,292,954</u>	<u>1,234,022</u>	<u>58,932</u>
Total	<u>\$ 7,206,241</u>	<u>\$ 7,485,090</u>	<u>\$ (278,849)</u>

General Fund

The general fund, one of the Township's major funds, had cash receipts of \$1,128,248 in 2019. The cash disbursements and other financing disbursements of the general fund totaled \$1,125,678 in 2019. The general fund's fund balance increased \$2,570 from 2018 to 2019.

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

	<u>2019 Amount</u>	<u>2018 Amount</u>	<u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 811,370	\$ 797,589	\$ 13,781
Intergovernmental	156,799	158,840	(2,041)
License, permits and fees	36,973	27,788	9,185
Interest	97,635	87,560	10,075
Miscellaneous	<u>25,471</u>	<u>32,090</u>	<u>(6,619)</u>
Total	<u>\$ 1,128,248</u>	<u>\$ 1,103,867</u>	<u>\$ 24,381</u>

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

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

	2019	2018	
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Cash Disbursements</u>			
General government	\$ 874,125	\$ 902,926	\$ (28,801)
Public safety	18,585	29,930	(11,345)
Health	29,210	28,432	778
Conservation and recreation	74,885	24,885	50,000
Capital outlay	<u>3,754</u>	<u>21,879</u>	<u>(18,125)</u>
Total	<u>\$ 1,000,559</u>	<u>\$ 1,008,052</u>	<u>\$ (7,493)</u>

Fire District Fund

The fire district fund, a Township major fund, had cash receipts of \$7,399,938 in 2019. The fire district fund had cash disbursements and other financing disbursements of \$7,735,495 in 2019. The fire district fund balance decreased \$335,557 from 2018 to 2019.

Gasoline Tax Fund

The gasoline tax fund, a Township major fund, had cash receipts of \$124,395 in 2019. The gasoline tax fund had cash disbursements of \$66,864 in 2019. The gasoline tax fund balance increased \$57,531 from 2018 to 2019.

Fire Equipment Fund

The fire equipment fund, a Township major fund, had other financing receipts of \$1,280,300 in 2019. The fire equipment fund had cash disbursements and other financing disbursements of \$1,342,625. The fire equipment fund balance decreased \$62,325 from 2018 to 2019.

Budgeting Highlights - General Fund

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

For 2019, the final budgetary basis receipts of \$1,022,871 were \$9,591 more than the original budget disbursements of \$1,013,280. Actual cash receipts of \$1,128,248 were \$105,377 greater than final budget basis receipts. The final budgeted disbursements and other financing disbursements of \$1,680,640. Actual budgetary basis disbursements and other financing disbursements of \$1,173,200 were less than final budget estimates by \$507,440.

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$1,346,379 and \$438,249 during 2019 and 2018, respectively.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Debt Administration

The Township had the following debt outstanding at December 31, 2019 and 2018:

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
Refunding Bonds - Pool - direct borrowing	<u>\$ 1,022,000</u>	<u>\$ 1,121,000</u>

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

Current Financial Related Activities

The following economic factors were taken into consideration in preparing the budget for 2019:

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

State funding is uncertain due to projected budget cuts at the State level. For Plain Township the Local government revenue funds were reduced by 4.25% in 2019. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2019. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.9 mil fire levy replacement and reduction (from the 1990 3.0 mil fire levy) for collection in 2015 and payment in 2016 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 5 years.

These economic factors were considered in preparing the Township's budget for 2019. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

Contacting the Township's Financial Management

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	<u>\$ 7,206,241</u>
Total assets.	<u>7,206,241</u>
Net cash position:	
Restricted for:	
Nonexpendable.	2,031
Public safety	3,036,613
Public works	1,341,176
Health and human services	154,554
Unrestricted.	<u>2,671,867</u>
Total net cash position	<u><u>\$ 7,206,241</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 874,125	\$ 36,973	\$ -	\$ (837,152)
Public safety	6,814,789	405,349	17,000	(6,392,440)
Public works.	313,441	-	155,151	(158,290)
Health	135,934	37,567	-	(98,367)
Conservation and recreation	464,156	376,017	-	(88,139)
Capital outlay.	1,346,379	-	-	(1,346,379)
Debt service:				
Principal retirement	99,000	-	-	(99,000)
Interest and fiscal charges	26,119	-	-	(26,119)
Total governmental activities.	\$ 10,073,943	\$ 855,906	\$ 172,151	(9,045,886)
 General receipts:				
Property and other taxes levied for:				
General purposes				811,370
Public safety - Fire district				6,796,677
Road and bridge improvements.				198,356
Grants and entitlements not restricted to specific programs.				587,974
Investment receipts.				97,636
Miscellaneous				275,024
Total general receipts.				8,767,037
Change in net position				(278,849)
Net cash position at beginning of year				7,485,090
Net cash position at end of year				\$ 7,206,241

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>	<u>Fire Equipment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and investments	\$ 2,226,988	\$ 2,632,874	\$ 941,568	\$ 111,857	\$ 1,292,954	\$ 7,206,241
Total assets	<u>\$ 2,226,988</u>	<u>\$ 2,632,874</u>	<u>\$ 941,568</u>	<u>\$ 111,857</u>	<u>\$ 1,292,954</u>	<u>\$ 7,206,241</u>
Fund balances:						
Nonspendable:						
Permanent fund	\$ -	\$ -	\$ -	\$ -	\$ 2,031	\$ 2,031
Restricted:						
Public safety programs	-	2,632,874	-	-	403,739	3,036,613
Public works programs.	-	-	941,568	-	399,608	1,341,176
Health programs	-	-	-	-	154,554	154,554
Committed:						
Conservation and recreation programs	-	-	-	-	84,253	84,253
Public works programs.	-	-	-	-	218,750	218,750
Capital improvements - swimming pool.	-	-	-	-	30,019	30,019
Capital improvements - fire	-	-	-	111,857	-	111,857
Assigned:						
General government	40,772	-	-	-	-	40,772
Public safety programs	6,750	-	-	-	-	6,750
Subsequent year appropriations	641,220	-	-	-	-	641,220
Unassigned.	<u>1,538,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,538,246</u>
Total fund balances	<u>\$ 2,226,988</u>	<u>\$ 2,632,874</u>	<u>\$ 941,568</u>	<u>\$ 111,857</u>	<u>\$ 1,292,954</u>	<u>\$ 7,206,241</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>	<u>Fire Equipment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:						
Taxes	\$ 811,370	\$ 6,796,677	\$ -	\$ -	\$ 198,356	\$ 7,806,403
Intergovernmental	156,799	422,573	109,076	-	49,287	737,735
Charges for services	-	-	-	-	781,366	781,366
License, permits and fees	36,973	-	-	-	37,500	74,473
Interest	97,635	-	15,319	-	6,372	119,326
Contributions and donations	-	10,771	-	-	-	10,771
Miscellaneous	25,471	169,917	-	-	69,632	265,020
Total cash receipts	<u>1,128,248</u>	<u>7,399,938</u>	<u>124,395</u>	<u>-</u>	<u>1,142,513</u>	<u>9,795,094</u>
Cash disbursements:						
Current:						
General government	874,125	-	-	-	-	874,125
Public safety	18,585	6,455,195	-	-	341,009	6,814,789
Public works	-	-	66,864	-	246,577	313,441
Health	29,210	-	-	-	106,724	135,934
Conservation and recreation	74,885	-	-	-	389,271	464,156
Capital outlay	3,754	-	-	1,342,625	-	1,346,379
Debt service:						
Principal retirement	-	-	-	-	99,000	99,000
Interest and fiscal charges	-	-	-	-	26,119	26,119
Total cash disbursements	<u>1,000,559</u>	<u>6,455,195</u>	<u>66,864</u>	<u>1,342,625</u>	<u>1,208,700</u>	<u>10,073,943</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>127,689</u>	<u>944,743</u>	<u>57,531</u>	<u>(1,342,625)</u>	<u>(66,187)</u>	<u>(278,849)</u>
Other financing receipts (disbursements):						
Transfers in	-	-	-	1,280,300	125,119	1,405,419
Transfers out	(125,119)	(1,280,300)	-	-	-	(1,405,419)
Total other financing receipts (disbursements)	<u>(125,119)</u>	<u>(1,280,300)</u>	<u>-</u>	<u>1,280,300</u>	<u>125,119</u>	<u>-</u>
Net change in fund balances	2,570	(335,557)	57,531	(62,325)	58,932	(278,849)
Fund balances						
at beginning of year	2,224,418	2,968,431	884,037	174,182	1,234,022	7,485,090
Fund balances at end of year	<u>\$ 2,226,988</u>	<u>\$ 2,632,874</u>	<u>\$ 941,568</u>	<u>\$ 111,857</u>	<u>\$ 1,292,954</u>	<u>\$ 7,206,241</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
Taxes	\$ 728,692	\$ 735,589	\$ 811,370	\$ 75,781
Intergovernmental	140,821	142,154	156,799	14,645
License, permits and fees	33,205	33,520	36,973	3,453
Interest.	87,686	88,516	97,635	9,119
Miscellaneous	22,876	23,092	25,471	2,379
Total receipts.	<u>1,013,280</u>	<u>1,022,871</u>	<u>1,128,248</u>	<u>105,377</u>
Disbursements:				
Current:				
General government	1,306,905	1,306,905	914,897	392,008
Public safety	50,116	50,116	25,335	24,781
Health	56,000	56,000	29,210	26,790
Conservation and recreation	100,000	100,000	74,885	25,115
Capital outlay	42,500	42,500	3,754	38,746
Total disbursements	<u>1,555,521</u>	<u>1,555,521</u>	<u>1,048,081</u>	<u>507,440</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(542,241)</u>	<u>(532,650)</u>	<u>80,167</u>	<u>612,817</u>
Other financing disbursements:				
Transfers out.	<u>(125,119)</u>	<u>(125,119)</u>	<u>(125,119)</u>	<u>-</u>
Total other financing disbursements	<u>(125,119)</u>	<u>(125,119)</u>	<u>(125,119)</u>	<u>-</u>
Net change in fund balance.	(667,360)	(657,769)	(44,952)	612,817
Unencumbered fund balance				
at beginning of year.	2,204,106	2,204,106	2,204,106	-
Prior year encumbrances appropriated	<u>20,312</u>	<u>20,312</u>	<u>20,312</u>	<u>-</u>
Unencumbered fund balance at end of year.	<u>\$ 1,557,058</u>	<u>\$ 1,566,649</u>	<u>\$ 2,179,466</u>	<u>\$ 612,817</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Taxes	\$ 6,466,892	\$ 6,528,519	\$ 6,796,677	\$ 268,158
Intergovernmental.	402,069	405,901	422,573	16,672
Contributions and donations	10,248	10,346	10,771	425
Miscellaneous.	161,672	163,213	169,917	6,704
Total receipts	<u>7,040,881</u>	<u>7,107,979</u>	<u>7,399,938</u>	<u>291,959</u>
Disbursements:				
Current:				
Public safety.	7,478,339	7,783,714	6,568,134	1,215,580
Total disbursements	<u>7,478,339</u>	<u>7,783,714</u>	<u>6,568,134</u>	<u>1,215,580</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(437,458)</u>	<u>(675,735)</u>	831,804	<u>1,507,539</u>
Other financing disbursements:				
Transfers out.	<u>(1,280,300)</u>	<u>(1,280,300)</u>	<u>(1,280,300)</u>	-
Total other financing disbursements	<u>(1,280,300)</u>	<u>(1,280,300)</u>	<u>(1,280,300)</u>	-
Net change in fund balance	(1,717,758)	(1,956,035)	(448,496)	1,507,539
Unencumbered fund balance				
at beginning of year.	2,874,817	2,874,817	2,874,817	-
Prior year encumbrances appropriated.	<u>93,614</u>	<u>93,614</u>	<u>93,614</u>	-
Unencumbered fund balance at end of year.	<u>\$ 1,250,673</u>	<u>\$ 1,012,396</u>	<u>\$ 2,519,935</u>	<u>\$ 1,507,539</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GASOLINE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 78,478	\$ 78,478	\$ 109,076	\$ 30,598
Interest	11,022	11,022	15,319	4,297
Total receipts	<u>89,500</u>	<u>89,500</u>	<u>124,395</u>	<u>34,895</u>
Disbursements:				
Current:				
Public works	405,000	405,000	66,864	338,136
Total disbursements	<u>405,000</u>	<u>405,000</u>	<u>66,864</u>	<u>338,136</u>
Net change in fund balance	(315,500)	(315,500)	57,531	373,031
Unencumbered fund balance				
at beginning of year	<u>884,037</u>	<u>884,037</u>	<u>884,037</u>	<u>-</u>
Unencumbered fund balance				
at end of year	<u>\$ 568,537</u>	<u>\$ 568,537</u>	<u>\$ 941,568</u>	<u>\$ 373,031</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
DECEMBER 31, 2019

	<u>Private-Purpose Trust</u>
Assets:	
Equity in pooled cash and investments.	\$ 3,161
Total assets.	<u>3,161</u>
Net cash position:	
Held in trust for other purposes	<u>3,161</u>
Total net cash position	<u><u>\$ 3,161</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	<u>Private-Purpose Trust</u>
Net cash position at beginning of year	\$ 3,161
Net cash position at end of year	<u>\$ 3,161</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - DESCRIPTION OF THE TOWNSHIP

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

JOINTLY GOVERNED ORGANIZATIONS

New Albany - Plain Local Joint Park District

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Rocky Fork-Blacklick Accord

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

Mid-Ohio Regional Planning Commission

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

Metropolitan Emergency Communications Consortium Regional Council of Governments

The Township is a participant in the Metropolitan Emergency Communications Consortium Regional Council of Governments (MECC RCOG), a jointly governed organization. MECC RCOG is composed of representatives from Mifflin, Truro, Violet, Jefferson and Plain Townships. The purpose of the organization is to enable its members to more effectively manage the provision of shared services and programs, including efficient methods of delivery of public safety dispatch operations, fire, law enforcement and emergency medical and related services, technology services and selected benefit services, and to promote cooperative agreements and contracts between its members or other governmental agencies.

JOINT VENTURE

New Albany Performing Arts Center

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

The Center is operated by a 15-member Board of Trustees (the “Board”) consisting of 3 members appointed by the District, 3 members appointed by the Township, 3 members appointed by the Township and 3 member appointed by the Foundation. Those appointed individuals may appoint up to 3 additional members, approved by the owners. The Township does not appoint a voting majority of the Board.

The Township has no ongoing financial interest or responsibility in the operation of the Center other than it is obligated to pay 3/13 of the capital expenses approved on an annual basis. The Board of Directors approves the operating budget of the Center. The operating budget is prepared by the Board of Education and delivered to the Board of Directors and Owners annually by May 31st of each year, including projected expenses, the budget year costs from the Five-Year Capital Improvement Plan, and the Board of Education Usage Charge. “Owners” means the Township, Township and the Township. Complete financial statements for the Center may be obtained from the Treasurer of the New Albany-Plain Local Township at 55 North High Street, New Albany, OH 43054.

PUBLIC ENTITY RISK POOL

Ohio Township Association Risk Management Authority

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

B. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

C. Fund Accounting

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

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

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

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

Gasoline tax fund - This fund accounts for revenues derived from gasoline taxes. Expenditures are restricted for road improvements, repairs, street signs, equipment, etc.

Fire equipment fund - This fund is used to account for transfers that are committed to the use of purchasing equipment and vehicles for the fire department.

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

D. Basis of Accounting

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

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

E. Budgetary Process

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

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

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

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

F. Cash and Investments

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

During 2019, investments were limited to federal agency securities, U.S Government money market mutual fund, US Treasury Notes, Negotiable CD's and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2019 were \$97,635 which includes \$61,480 assigned from other Township funds.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

K. Long-term Obligations

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

L. Net Cash Position

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

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

M. Fund Balance

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

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

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

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

N. Interfund Activity

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2019, the Township has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84 "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90 "Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Township.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the Township will no longer be reporting agency funds. The Township reviewed its fiduciary funds to determine the appropriate classification under GASB Statement No. 84. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Township.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Township.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Township.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement bonds and other obligations of political subdivisions or the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings accounts including but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met; and,
9. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutes participating in the Ohio Pooled Collateral Systems (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

A. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all Township deposits was \$2,056,967 and the bank balance of all Township deposits was \$2,063,119. Of the bank balance, \$255,192 was covered by the FDIC and the remaining was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. The Township has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For 2019, the Township's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

B. Investments

As of December 31, 2019, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLB	\$ 498,590	\$ 501,256	\$ -	\$ -	\$ 250,033	\$ 251,223	\$ -
FFCB	140,000	140,148	-	-	-	-	140,148
FHLMC	624,688	625,731	249,980	-	250,538	-	125,213
Negotiable CD's	939,332	946,444	-	-	200,806	-	745,638
US Treasury Notes	737,609	738,779	134,938	429,641	174,200	-	-
US Government money market	541,927	541,927	541,927	-	-	-	-
STAR Ohio	1,670,289	1,670,289	1,670,289	-	-	-	-
Total	\$ 5,152,435	\$ 5,164,574	\$ 2,597,134	\$ 429,641	\$ 875,577	\$ 251,223	\$ 1,010,999

The weighted average maturity of investments is 1.14 years.

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

Credit Risk: STAR Ohio and the US Government money market fund carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The Township's investments in federal agency securities (FHLB, FFCB, FHLMC) and US Treasury Notes were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2019:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FHLB	\$ 498,590	9.68
FFCB	140,000	2.72
FHLMC	624,688	12.12
Negotiable CD's	939,332	18.23
US Treasury Notes	737,609	14.32
US Government money market	541,927	10.52
STAR Ohio	<u>1,670,289</u>	<u>32.41</u>
Total	<u>\$ 5,152,435</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position - cash basis as of December 31, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,056,967
Carrying amount of investments	<u>5,152,435</u>
Total	<u>\$ 7,209,402</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 7,206,241
Private purpose trust	<u>3,161</u>
Total	<u>\$ 7,209,402</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - PROPERTY TAX

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all Township operations for the year ended December 31, 2019, was \$15.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

	2019
Real property tax	\$ 707,871,190
Public utility tangible personal property	38,227,120
Total assessed valuation	\$ 746,098,310

NOTE 6 - DEBT OBLIGATIONS

Transactions for the year ended December 31, 2019 are summarized as follows:

	Balance December 31, 2018	Proceeds	Payments	Balance December 31, 2019
<u>Description</u>				
Refunding Bonds - Pool - direct borrowing	\$ 1,121,000	\$ -	\$ (99,000)	\$ 1,022,000
Total	\$ 1,121,000	\$ -	\$ (99,000)	\$ 1,022,000

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

Series 2015 Capital Facilities Refunding Bonds: On March 30, 2015, the Township issued \$1,515,000 in pool refunding bonds to refund the Series 2004 capital facilities bonds that were for the construction of the township aquatic center. These bonds are considered a direct borrowing in that the terms have been negotiated directly between the Township and the lender and are not offered for public sale. The bonds were issued for a thirteen year period, with final maturity on December 1, 2028 at an interest rate of 2.33%. The bonds are being retired from the debt service fund (a nonmajor governmental fund).

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Current Interest Bonds - direct borrowing		
	Principal	Interest	Total
2020	\$ 102,000	\$ 23,813	\$ 125,813
2021	106,000	21,436	127,436
2022	109,000	18,966	127,966
2023	112,000	16,427	128,427
2024	115,000	13,817	128,817
2025 - 2028	<u>478,000</u>	<u>28,286</u>	<u>506,286</u>
Total	<u>\$ 1,022,000</u>	<u>\$ 122,745</u>	<u>\$ 1,144,745</u>

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees, other than full-time firefighters, 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, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS ACFR.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits *****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

*** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

***** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The Township's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$91,413 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
2019 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50 %
Total Employer	24.00 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$827,679 for 2019.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

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.

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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of 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 75. 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. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The Township's contractually required contribution was \$2,848 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The Township's contractually required contribution to OP&F was \$17,610 for 2019.

NOTE 9 - RISK MANAGEMENT

Risk Pool Membership

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, 2019, 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 net position at December 31, 2019:

<u>Casualty Coverage</u>	<u>2019</u>
Assets	\$ 35,207,320
Liabilities	<u>(10,519,942)</u>
Net position	<u>\$ 24,687,378</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - RISK MANAGEMENT - (Continued)

At December 31, 2019 the liabilities above include approximately \$7.8 million of estimated incurred claims payable. The assets' above also include approximately \$7.1 million of unpaid claims to be billed to approximately 1,018 member governments in the future, as of December 31, 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2019, the Township's share of these unpaid claims collectible in future years is approximately \$19,430.

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

<u>Contributions to OTARMA</u>	
2019	\$44,159

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

Insurance Benefits - Health Insurance

The Township provides health insurance to employees through United Health Care.

NOTE 10 - CONTINGENCIES

A. Litigation

The Township is currently not party to any pending litigation.

B. Grants

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2019.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10 - CONTINGENCIES - (Continued)

C. Jefferson Health Plan Claims

The Township was previously a member of the Jefferson Health Plan (the “Health Plan”), a claims servicing insurance pool organized under Ohio Revised Code Chapter 167, for the purpose of establishing and carrying out a cooperative program to administer medical, prescription, vision and dental benefits for employees of the participating entities and their eligible dependents. Upon leaving the Health Plan, the Township assumed responsibility for any incurred but not reported (IBNR) claims. At the date of the report, it was unclear the impact these claims would have on future cash disbursements of the Township.

NOTE 11 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported on the fund financial statements:

<u>Transfers to a nonmajor governmental fund from:</u>	
General fund	\$ <u>125,119</u>
 <u>Transfers to fire equipment fund from:</u>	
Fire district fund	<u>1,280,300</u>
 Total	 \$ <u><u>1,405,419</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer of \$1,280,300 from the fire district fund to the capital equipment – fire fund (a nonmajor governmental fund) was to fund the purchase of a new fire truck for the Township. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

NOTE 12 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 47,522
Fire district	112,939
Other governmental	<u>202,192</u>
 Total	 \$ <u><u>362,653</u></u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

Adjustments necessary to convert the results of operations at the end of the year on the cash basis to the budget basis are as follows:

	<u>General</u>	<u>Fire District</u>	<u>Gasoline Tax</u>
Cash basis	\$ 2,570	\$ (335,557)	\$ 57,531
Encumbrances	<u>(47,522)</u>	<u>(112,939)</u>	<u>-</u>
Budget basis	<u>\$ (44,952)</u>	<u>\$ (448,496)</u>	<u>\$ 57,531</u>

NOTE 14 - TAX ABATEMENTS

The Township, along with the City of New Albany entered into property tax abatement agreements with property owners under The Ohio Community Reinvestment Area (“CRA”) program. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the Township and/or Township designates areas to encourage revitalization of the existing housing stock and the development of new structures. The Township has 22 properties are that are receiving tax abatements. The total value of taxes abated for 2019 was \$643,368.

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

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

To the Board of Trustees:

We have audited, 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, Franklin County, (the Township) as of and for the year ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 11, 2022 wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 financial statements. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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.



Keith Faber
Auditor of State
Columbus, Ohio

October 11, 2022

OHIO AUDITOR OF STATE KEITH FABER



PLAIN TOWNSHIP

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/10/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov