

PLAIN TOWNSHIP FRANKLIN COUNTY, OHIO

Cash Basis Financial Statements

**For the Year Ended
December 31, 2021**

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**CASH BASIS FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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Accountant's Compilation Report

To the Board of Trustees
Plain Township, Ohio

Management is responsible for the accompanying basic financial statements of Plain Township, which comprise the statements listed in the table of contents as of December 31, 2021, and for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is an accounting basis other than accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
February 14, 2022

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)**

The management's discussion and analysis of Plain Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2021 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 2021 are as follows:

- For 2021, the total net position of the Township increased \$1,501,343 or 19.50%.
- For 2021, general cash receipts accounted for \$9,213,253 or 88.13% of total governmental activities cash receipts, program specific cash receipts accounted for \$1,241,224 or 11.86% of total governmental activities.
- For 2021, the Township had \$8,953,134 in cash disbursements related to governmental activities; \$1,241,224 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$9,213,253 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 \$1,154,343 in 2021. The cash disbursements and other financing disbursements of the general fund totaled \$1,153,282 in 2021. The general fund's fund balance increased \$1,061 from 2020 to 2021.
- The fire district fund, a Township major fund, had cash receipts of \$7,835,201 in 2021. The fire district fund had cash disbursements and other financing disbursements of \$6,979,066 in 2021. The fire district fund balance increased \$856,135 from 2020 to 2021.
- The gasoline tax fund, a Township major fund, had cash receipts of \$145,677 in 2021. The gasoline tax fund had cash disbursements of \$17,994 in 2021. The gasoline tax fund balance increased \$127,683 from \$1,077,092 to \$1,204,775.

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 2021?" 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net position at December 31, 2021 and 2020.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 9,201,175	\$ 7,699,832
Total assets	<u>9,201,175</u>	<u>7,699,832</u>
<u>Net cash position</u>		
Restricted	6,392,803	5,358,739
Unrestricted	<u>2,808,372</u>	<u>2,341,093</u>
Total net cash position	<u>\$ 9,201,175</u>	<u>\$ 7,699,832</u>

For 2021, net position of the Township increased \$1,501,343 or 19.50%. The balance of government-wide unrestricted net cash position of \$2,808,372 at December 31, 2021 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the changes in net position for years 2021 and 2020.

	Change in Net Cash Position	
	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 913,182	\$ 464,080
Operating grants and contributions	<u>328,042</u>	<u>412,189</u>
Total program cash receipts	<u>1,241,224</u>	<u>876,269</u>
General cash receipts:		
Property and other taxes	8,476,235	7,761,407
Unrestricted grants	596,443	585,298
Investment receipts	44,351	57,352
Miscellaneous	<u>96,224</u>	<u>374,739</u>
Total general cash receipts	<u>9,213,253</u>	<u>8,778,796</u>
Total cash receipts	<u>10,454,477</u>	<u>9,655,065</u>
Cash Disbursements:		
Current:		
General government	905,295	949,316
Public safety	6,988,113	7,044,337
Public works	220,569	341,593
Health	141,357	137,473
Conservation and recreation	494,050	199,826
Capital outlay	76,314	366,277
Debt service:		
Principal retirement	106,000	102,000
Interest and fiscal charges	<u>21,436</u>	<u>23,813</u>
Total cash disbursements	<u>8,953,134</u>	<u>9,164,635</u>
Change in net position	1,501,343	490,430
Net position at beginning of year	<u>7,699,832</u>	<u>7,209,402</u>
Net position at end of year	<u>\$ 9,201,175</u>	<u>\$ 7,699,832</u>

Governmental Activities

Governmental net position increased by \$1,501,343 in 2021 from 2020.

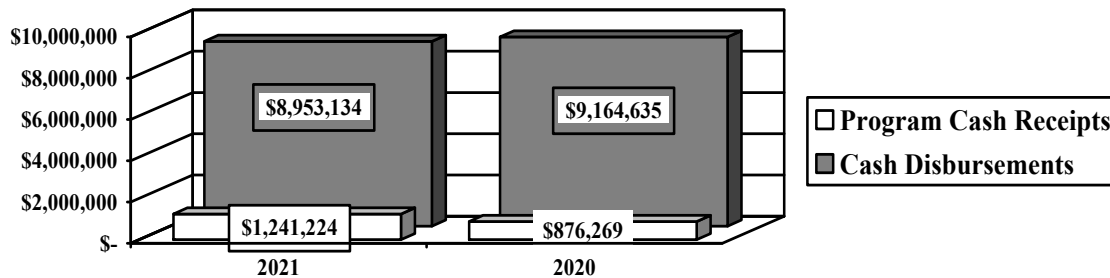
General government represents activities related to the governing body as well as activities that directly support Township programs. In 2021, general government cash disbursements totaled \$905,295 or 10.11% of total governmental cash disbursements. General government programs were supported by \$34,848 in direct charges to users for services. In 2021, the public safety programs accounted for \$6,988,113 or 78.05% of total governmental cash disbursements. These operations are primarily supported through taxes.

**PLAIN TOWNSHIP
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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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 2021 and 2020. 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>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
Cash disbursements:				
Current:				
General government	\$ 905,295	\$ 769,624	\$ 949,316	\$ 794,294
Public safety	6,988,113	6,585,743	7,044,337	6,584,378
Public works	220,569	47,478	341,593	170,560
Health	141,357	(12,720)	137,473	47,218
Conservation and recreation	494,050	118,035	199,826	199,826
Capital outlay	76,314	76,314	366,277	366,277
Debt service:				
Principal retirement	106,000	106,000	102,000	102,000
Interest and fiscal charges	21,436	21,436	23,813	23,813
Total	<u>\$ 8,953,134</u>	<u>\$ 7,711,910</u>	<u>\$ 9,164,635</u>	<u>\$ 8,288,366</u>

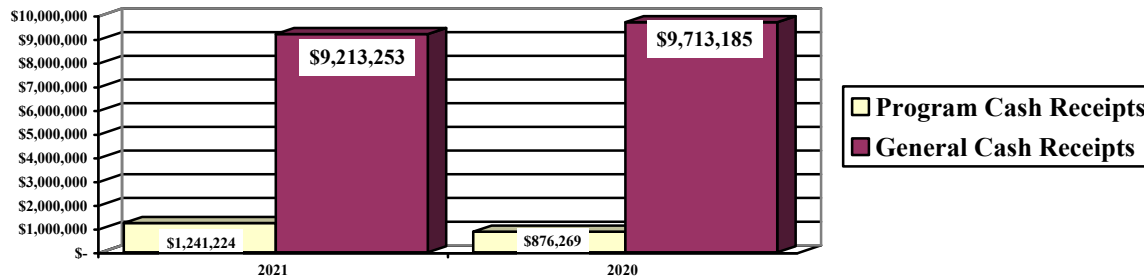
The dependence upon general cash receipts for governmental activities is apparent with 86.14% and 90.44% of cash disbursements supported through taxes and other general cash receipts during 2021 and 2020, respectively.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The graph below presents the Township's governmental receipts for 2021 and 2020.

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, 2021, the Township's governmental funds reported a combined fund balance of \$9,201,175, which is \$1,501,343 more than the 2020 total of \$7,699,832. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020 for all major and nonmajor governmental funds.

	<u>Fund Balance December 31, 2021</u>	<u>Fund Balance December 31, 2020</u>	<u>Change</u>
Major Funds:			
General	\$ 2,042,843	\$ 2,041,782	\$ 1,061
Fire district	4,073,986	3,217,851	856,135
Gasoline tax	1,204,775	1,077,092	127,683
Nonmajor funds	<u>1,879,571</u>	<u>1,363,107</u>	<u>516,464</u>
Total	<u>\$ 9,201,175</u>	<u>\$ 7,699,832</u>	<u>\$ 1,501,343</u>

General Fund

The general fund, one of the Township's major funds, had cash receipts of \$1,154,343 in 2021. The cash disbursements and other financing disbursements of the general fund totaled \$1,153,282 in 2021. The general fund's fund balance increased \$1,061 from 2020 to 2021.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Change</u>
<u>Cash Receipts:</u>			
Taxes	\$ 899,869	\$ 798,033	\$ 101,836
Intergovernmental	164,371	156,044	8,327
License, permits and fees	34,848	27,392	7,456
Interest	44,351	57,352	(13,001)
Miscellaneous	<u>10,904</u>	<u>36,247</u>	<u>(25,343)</u>
Total	<u>\$ 1,154,343</u>	<u>\$ 1,075,068</u>	<u>\$ 79,275</u>

Taxes increased due to a revaluation of property values in the County. 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>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Change</u>
<u>Cash Disbursements</u>			
General government	\$ 817,235	\$ 899,004	\$ (81,769)
Public safety	33,039	26,926	6,113
Health	35,687	33,646	2,041
Conservation and recreation	<u>74,885</u>	<u>74,885</u>	<u>-</u>
Total	<u>\$ 960,846</u>	<u>\$ 1,034,461</u>	<u>\$ (73,615)</u>

Fire District Fund

The fire district fund, a Township major fund, had cash receipts of \$7,835,201 in 2021. The fire district fund had cash disbursements and other financing disbursements of \$6,979,066 in 2021. The fire district fund balance increased \$856,135 from 2020 to 2021.

Gasoline Tax Fund

The gasoline tax fund, a Township major fund, had cash receipts of \$145,677 in 2021. The gasoline tax fund had cash disbursements of \$17,994 in 2021. The gasoline tax fund balance increased \$127,683 from 2020 to 2021.

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 2021, the final budgetary basis receipts of \$1,030,074 were \$48,868 less than the original budget basis receipts of \$1,078,942. Actual cash receipts of \$1,154,343 were \$124,269 greater than final budget basis receipts. The final budgeted disbursements and other financing disbursements of \$1,716,204. Actual budgetary basis disbursements and other financing disbursements of \$1,205,235 were less than final budget estimates by \$510,969.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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 \$76,314 and \$366,277 during 2021 and 2020, respectively.

Debt Administration

The Township had the following debt outstanding at December 31, 2021 and 2020:

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
Refunding Bonds - Pool - direct borrowing	<u>\$ 814,000</u>	<u>\$ 920,000</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 2021:

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 1.27% in 2021. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2021. 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 2021. 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 9,201,175
Total assets	<u>9,201,175</u>
Net cash position:	
Restricted for:	
Nonexpendable	2,031
Public safety	4,435,756
Public works	1,659,029
Health and human services	192,003
American rescue plan act	100,823
Ulry cemetery	3,161
Unrestricted	<u>2,808,372</u>
Total net cash position	<u><u>\$ 9,201,175</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 905,295	\$ 34,848	\$ 100,823	\$ (769,624)
Public safety	6,988,113	348,242	54,128	(6,585,743)
Public works	220,569	-	173,091	(47,478)
Health	141,357	154,077	-	12,720
Conservation and recreation	494,050	376,015	-	(118,035)
Capital outlay	76,314	-	-	(76,314)
Debt service:				
Principal retirement	106,000	-	-	(106,000)
Interest and fiscal charges	21,436	-	-	(21,436)
Total governmental activities	<u>\$ 8,953,134</u>	<u>\$ 913,182</u>	<u>\$ 328,042</u>	<u>(7,711,910)</u>
General receipts:				
Property and other taxes levied for:				
General purposes				899,869
Public safety - Fire district				7,321,834
Road and bridge improvements				254,532
Grants and entitlements not restricted to specific programs				596,443
Investment receipts				44,351
Miscellaneous				96,224
Total general receipts				<u>9,213,253</u>
Change in net position				1,501,343
Net cash position at beginning of year				<u>7,699,832</u>
Net cash position at end of year				<u><u>\$ 9,201,175</u></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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<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	\$ 2,042,843	\$ 4,073,986	\$ 1,204,775	\$ 1,879,571	\$ 9,201,175
Total assets	<u>\$ 2,042,843</u>	<u>\$ 4,073,986</u>	<u>\$ 1,204,775</u>	<u>\$ 1,879,571</u>	<u>\$ 9,201,175</u>
Fund balances:					
Nonspendable:					
Permanent fund	\$ -	\$ -	\$ -	\$ 2,031	\$ 2,031
Restricted:					
Public safety programs	-	4,073,986	-	462,593	4,536,579
Public works programs	-	-	1,204,775	454,254	1,659,029
Health programs	-	-	-	192,003	192,003
Ulry cemetery	-	-	-	3,161	3,161
Committed:					
Conservation and recreation programs	-	-	-	82,427	82,427
Public works programs	-	-	-	188,817	188,817
Capital improvements - swimming pool	-	-	-	11,351	11,351
Capital improvements - fire	-	-	-	482,934	482,934
Assigned:					
General government	21,800	-	-	-	21,800
Public safety programs	6,653	-	-	-	6,653
Health programs	23,500	-	-	-	23,500
Subsequent year appropriations	431,774	-	-	-	431,774
Unassigned	<u>1,559,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,116</u>
Total fund balances	<u>\$ 2,042,843</u>	<u>\$ 4,073,986</u>	<u>\$ 1,204,775</u>	<u>\$ 1,879,571</u>	<u>\$ 9,201,175</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Fire District	Gasoline Tax	Other Governmental Funds	Total Governmental Funds
Cash receipts:					
Taxes	\$ 899,869	\$ 7,321,834	\$ -	\$ 254,532	\$ 8,476,235
Intergovernmental	164,371	413,778	138,870	182,386	899,405
Charges for services	-	-	-	825,857	825,857
License, permits and fees	34,848	-	-	52,477	87,325
Interest	44,351	-	6,807	2,634	53,792
Contributions and donations	-	15,639	-	-	15,639
Miscellaneous	10,904	83,950	-	1,370	96,224
Total cash receipts	<u>1,154,343</u>	<u>7,835,201</u>	<u>145,677</u>	<u>1,319,256</u>	<u>10,454,477</u>
Cash disbursements:					
Current:					
General government	817,235	-	-	88,060	905,295
Public safety	33,039	6,532,513	-	422,561	6,988,113
Public works	-	-	17,994	202,575	220,569
Health	35,687	-	-	105,670	141,357
Conservation and recreation	74,885	-	-	419,165	494,050
Capital outlay	-	-	-	76,314	76,314
Debt service:					
Principal retirement	-	-	-	106,000	106,000
Interest and fiscal charges	-	-	-	21,436	21,436
Total cash disbursements	<u>960,846</u>	<u>6,532,513</u>	<u>17,994</u>	<u>1,441,781</u>	<u>8,953,134</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>193,497</u>	<u>1,302,688</u>	<u>127,683</u>	<u>(122,525)</u>	<u>1,501,343</u>
Other financing receipts (disbursements):					
Transfers in	-	-	-	638,989	638,989
Transfers out	(192,436)	(446,553)	-	-	(638,989)
Total other financing receipts (disbursements)	<u>(192,436)</u>	<u>(446,553)</u>	<u>-</u>	<u>638,989</u>	<u>-</u>
Net change in fund balances	1,061	856,135	127,683	516,464	1,501,343
Fund balances					
at beginning 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>
Fund balances at end of year	<u>\$ 2,042,843</u>	<u>\$ 4,073,986</u>	<u>\$ 1,204,775</u>	<u>\$ 1,879,571</u>	<u>\$ 9,201,175</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Taxes	\$ 846,227	\$ 938,983	\$ 899,869	\$ (39,114)
Intergovernmental	130,415	130,415	164,371	33,956
License, permits and fees	32,000	32,000	34,848	2,848
Interest	60,000	60,000	44,351	(15,649)
Miscellaneous	10,000	10,000	10,904	904
Total receipts	<u>1,078,642</u>	<u>1,171,398</u>	<u>1,154,343</u>	<u>(17,055)</u>
Disbursements:				
Current:				
General government	1,263,100	1,261,400	839,035	422,365
Public safety	48,291	48,291	39,692	8,599
Health	79,000	80,700	59,187	21,513
Conservation and recreation	100,000	100,000	74,885	25,115
Total disbursements	<u>1,490,391</u>	<u>1,490,391</u>	<u>1,012,799</u>	<u>477,592</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(411,749)</u>	<u>(318,993)</u>	<u>141,544</u>	<u>460,537</u>
Other financing disbursements:				
Transfers out	<u>(225,813)</u>	<u>(225,813)</u>	<u>(192,436)</u>	<u>33,377</u>
Total other financing disbursements	<u>(225,813)</u>	<u>(225,813)</u>	<u>(192,436)</u>	<u>33,377</u>
Net change in fund balance	(637,562)	(544,806)	(50,892)	493,914
Unencumbered fund balance				
at beginning of year	2,022,241	2,022,241	2,022,241	-
Prior year encumbrances appropriated	<u>19,541</u>	<u>19,541</u>	<u>19,541</u>	<u>-</u>
Unencumbered fund balance				
at end of year	<u>\$ 1,404,220</u>	<u>\$ 1,496,976</u>	<u>\$ 1,990,890</u>	<u>\$ 493,914</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Taxes	\$ 6,796,684	\$ 6,991,993	\$ 7,321,834	\$ 329,841
Intergovernmental	409,000	409,000	413,778	4,778
Contributions and donations	-	-	15,639	15,639
Miscellaneous	65,100	65,100	83,950	18,850
Total receipts	<u>7,270,784</u>	<u>7,466,093</u>	<u>7,835,201</u>	<u>369,108</u>
Disbursements:				
Current:				
Public safety	8,153,079	8,289,079	6,962,550	1,326,529
Total disbursements	<u>8,153,079</u>	<u>8,289,079</u>	<u>6,962,550</u>	<u>1,326,529</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(882,295)</u>	<u>(822,986)</u>	<u>872,651</u>	<u>1,695,637</u>
Other financing disbursements:				
Transfers out	(445,000)	(447,143)	(446,553)	590
Total other financing disbursements	<u>(445,000)</u>	<u>(447,143)</u>	<u>(446,553)</u>	<u>590</u>
Net change in fund balance	(1,327,295)	(1,270,129)	426,098	1,696,227
Unencumbered fund balance				
at beginning of year	3,137,851	3,137,851	3,137,851	-
Prior year encumbrances appropriated	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Unencumbered fund balance				
at end of year	<u>\$ 1,890,556</u>	<u>\$ 1,947,722</u>	<u>\$ 3,643,949</u>	<u>\$ 1,696,227</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 138,870	\$ 38,870
Interest	3,500	3,500	6,807	3,307
Total receipts	103,500	103,500	145,677	42,177
Disbursements:				
Current:				
Public works	405,000	405,000	47,665	357,335
Total disbursements	405,000	405,000	47,665	357,335
Net change in fund balance	(301,500)	(301,500)	98,012	399,512
Unencumbered fund balance at beginning of year	1,077,092	1,077,092	1,077,092	-
Unencumbered fund balance at end of year	<u>\$ 775,592</u>	<u>\$ 775,592</u>	<u>\$ 1,175,104</u>	<u>\$ 399,512</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 1 - DESCRIPTION OF THE TOWNSHIP

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

The Township provides the following services: fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services. The Township contracts with Mifflin Township through its Metropolitan Emergency 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.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 School 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.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

E. Budgetary Process

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

F. Cash and Investments

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

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

During 2021, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, US Treasury Notes, Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) securities, Negotiable CDs, U.S Treasury Bills, 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.

For 2021, 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 \$250 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2021 were \$44,351 which includes \$31,351 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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

M. Fund Balance

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

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

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

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

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

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

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

N. Interfund Activity

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2021.

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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2021, the Township has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Since the Township does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Township.

For 2021, the Township has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. 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.

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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*

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
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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.

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FRANKLIN COUNTY, OHIO**

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

A. Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all Township deposits was \$3,370,058 and the bank balance of all Township deposits was \$3,447,851. 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 2021, 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, 2021, 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	\$ 154,870	\$ 153,534	\$ -	\$ -	\$ -	\$ 153,534	\$ -
US Treasury Notes	229,492	228,695	-	-	228,695	-	-
FFCB	299,289	298,088	-	149,649	-	-	148,439
FHLB	626,187	618,367	-	-	-	-	618,367
FNMA	179,818	179,019	-	-	-	179,019	-
Negotiable CDs	1,975,793	2,010,479	247,320	252,716	753,421	502,953	254,069
US Treasury Bills	124,520	124,520	-	124,520	-	-	-
US Government money market	4,591	4,591	4,591	-	-	-	-
STAR Ohio	2,236,557	2,236,557	2,236,557	-	-	-	-
Total	<u>\$ 5,831,117</u>	<u>\$ 5,853,850</u>	<u>\$ 2,488,468</u>	<u>\$ 526,885</u>	<u>\$ 982,116</u>	<u>\$ 835,506</u>	<u>\$ 1,020,875</u>

The weighted average maturity of investments is 1.06 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.

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FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, FFCB, FHLB DN, FHLB, FNMA) and US Treasury Notes were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively. The US Treasury Bills were rated A-1+ and P-1 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, 2021:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FHLMC	\$ 154,870	2.66
US Treasury Notes	229,492	3.94
FFCB	299,289	5.13
FHLB	626,187	10.74
FNMA	179,818	3.08
Negotiable CDs	1,975,793	33.88
US Treasury Bills	124,520	2.14
US Government money market	4,591	0.08
STAR Ohio	<u>2,236,557</u>	<u>38.35</u>
Total	<u>\$ 5,831,117</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, 2021:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,370,058
Carrying amount of investments	<u>5,831,117</u>
Total	<u>\$ 9,201,175</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 9,201,175</u>
Total	<u>\$ 9,201,175</u>

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5 - PROPERTY TAX

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 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, 2021, was \$15.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

	<u>2021</u>
Real property tax	\$ 777,208,800
Public utility tangible personal property	<u>58,491,491</u>
Total assessed valuation	<u><u>\$ 835,700,291</u></u>

NOTE 6 - DEBT OBLIGATIONS

Transactions for the year ended December 31, 2021 are summarized as follows:

	Balance			Balance
	<u>December 31, 2020</u>	<u>Proceeds</u>	<u>Payments</u>	<u>December 31, 2021</u>
<u>Description</u>				
Refunding Bonds - Pool - direct borrowing	\$ 920,000	\$ -	\$ (106,000)	\$ 814,000
Total	<u>\$ 920,000</u>	<u>\$ -</u>	<u>\$ (106,000)</u>	<u>\$ 814,000</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, 2021
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NOTE 6 - DEBT OBLIGATIONS – (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2021, are as follows:

Year Ending December 31,	Current Interest Bonds - direct borrowing		
	Principal	Interest	Total
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	120,000	8,528	128,528
2027 - 2028	<u>246,000</u>	<u>8,621</u>	<u>254,621</u>
Total	<u>\$ 814,000</u>	<u>\$ 77,496</u>	<u>\$ 891,496</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.

**PLAIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual 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%.

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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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:

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

**** This 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 \$91,172 for 2021.

**PLAIN TOWNSHIP
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 Annual Comprehensive 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates	
Employer	24.00 %
Employee	12.25 %
2021 Actual Contribution Rates	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>
Total Employer	<u>24.00 %</u>
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$855,527 for 2021.

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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 2021, 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. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 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 \$2,971 for 2021.

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FRANKLIN COUNTY, OHIO**

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FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 2021, 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 \$18,203 for 2021.

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FOR THE YEAR ENDED DECEMBER 31, 2021
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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

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, 2021.

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.

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FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 11 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund financial statements:

<u>Transfers to a nonmajor governmental funds from:</u>	
General fund	\$ 192,436
<u>Transfers to nonmajor governmental fund from:</u>	
Fire district fund	<u>446,553</u>
Total	<u><u>\$ 638,989</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. 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	\$ 51,953
Fire district	430,037
Gasoline tax	29,671
Other governmental	<u>114,116</u>
Total	<u><u>\$ 625,777</u></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.

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FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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	\$ 1,061	\$ 856,135	\$ 127,683
Encumbrances	<u>(51,953)</u>	<u>(430,037)</u>	<u>(29,671)</u>
Budget basis	<u>\$ (50,892)</u>	<u>\$ 426,098</u>	<u>\$ 98,012</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 2021 was \$673,945.

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Township's investment portfolio 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.