

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

*FOR THE YEAR ENDED  
DECEMBER 31, 2017*

**BUD ZAPPITELLI, FISCAL OFFICER**



## **PLAIN TOWNSHIP**

### **BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

#### **TABLE OF CONTENTS**

Table of Contents.....	1
Accountant's Compilation Report .....	2
Management's Discussion and Analysis .....	3 - 12
Cash Basis Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Cash Basis .....	13
Statement of Activities - Cash Basis .....	14
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds .....	15
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds .....	16
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund .....	17
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Fire District Fund .....	18
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Gasoline Tax Fund .....	19
Statement of Fiduciary Net Position - Cash Basis - Fiduciary Fund .....	20
Statement of Changes in Fiduciary Net Position - Cash Basis - Fiduciary Fund .....	21
Notes to the Basic Financial Statements.....	22 - 45





# Julian & Grube, Inc.

*Serving Ohio Local Governments*

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## Accountant's Compilation Report

To the Board of Trustees  
Plain Township, Ohio

We have compiled the basic financial statements, as listed in the table of contents, for Plain Township (the "Township"), as of and for the fiscal year ended December 31, 2017, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

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

*Julian & Grube, Inc.*

February 26, 2018



**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(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, 2017 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 2017 are as follows:

- For 2017, the total net position of the Township increased \$81,526 or 1.22%.
- For 2017, general cash receipts accounted for \$7,899,899 or 88.99% of total governmental activities cash receipts, program specific cash receipts accounted for \$976,933 or 11.01% of total governmental activities.
- For 2017, the Township had \$8,795,306 in cash disbursements related to governmental activities; \$976,933 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$7,899,899 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 \$959,999 in 2017. The cash disbursements and other financing disbursements of the general fund, totaled \$1,092,939 in 2017. The general fund's fund balance decreased \$132,940 from 2016 to 2017.
- The fire district fund, a Township major fund, had cash receipts of \$6,758,325 in 2017. The fire district fund had cash disbursements and other financing disbursements of \$6,525,621 in 2017. The fire district fund balance increased \$232,704 from 2016 to 2017.
- The gasoline tax fund, a Township major fund, had cash receipts of \$93,294 in 2017. The gasoline tax fund had cash disbursements of \$14,322 in 2017. The gasoline tax fund balance increased \$78,972 from \$729,276 to \$808,248.

**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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**Reporting the Township as a Whole**

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

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2017?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

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

**Reporting the Township's Most Significant Funds**

***Fund Financial Statements***

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

***Governmental Funds***

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

The Township's budgetary process accounts for transactions on the budgetary basis of accounting. The difference between the budgetary basis of accounting and the cash basis of accounting is that encumbrances at year-end are recorded as a disbursement on the budgetary basis of accounting whereas on the cash basis, the disbursement is only recorded when cash is paid. The budgetary statements for the general fund and the fire district fund are presented to demonstrate the Township's compliance with annually adopted budgets. The budgetary statements can be found on pages 17-19 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs. A private-purpose trust fund is the Township's only fiduciary fund type. The fiduciary fund financial statements can be found on pages 20 and 21 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 22-45 of this report.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(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, 2017 and 2016.

	<u>Net Position</u> <u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 6,739,704	\$ 6,658,178
Total assets	<u>6,739,704</u>	<u>6,658,178</u>
<u>Net cash position</u>		
Restricted	4,056,167	3,787,604
Unrestricted	<u>2,683,537</u>	<u>2,870,574</u>
Total net cash position	<u>\$ 6,739,704</u>	<u>\$ 6,658,178</u>

For 2017, net position of the Township increased \$81,526 or 1.22%. The balance of government-wide unrestricted net cash position of \$2,683,537 at December 31, 2017 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, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

The table below shows the changes in net position for years 2017 and 2016.

<b>Change in Net Cash Position</b>			
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	
<b>Cash Receipts:</b>			
Program cash receipts:			
Charges for services and sales	\$ 787,306	\$ 880,723	
Operating grants and contributions	188,553	173,148	
Capital grants and contributions	<u>1,074</u>	<u>165,735</u>	
Total program cash receipts	<u>976,933</u>	<u>1,219,606</u>	
General cash receipts:			
Property and other taxes	7,077,177	6,810,534	
Unrestricted grants	569,069	581,370	
Investment receipts	37,546	31,917	
Miscellaneous	<u>216,107</u>	<u>144,353</u>	
Total general cash receipts	<u>7,899,899</u>	<u>7,568,174</u>	
Total cash receipts	<u>8,876,832</u>	<u>8,787,780</u>	
<b>Cash Disbursements:</b>			
Current:			
General government	753,835	721,511	
Public safety	6,672,250	6,022,454	
Public works	202,742	259,110	
Health	114,530	142,087	
Conservation and recreation	500,016	407,816	
Capital outlay	<u>425,247</u>	<u>546,812</u>	
Debt service:			
Principal retirement	96,000	92,000	
Interest and fiscal charges	<u>30,686</u>	<u>32,830</u>	
Total cash disbursements	<u>8,795,306</u>	<u>8,224,620</u>	
Change in net position	81,526	563,160	
Net position at beginning of year	<u>6,658,178</u>	<u>6,095,018</u>	
Net position at end of year	<u>\$ 6,739,704</u>	<u>\$ 6,658,178</u>	

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**Governmental Activities**

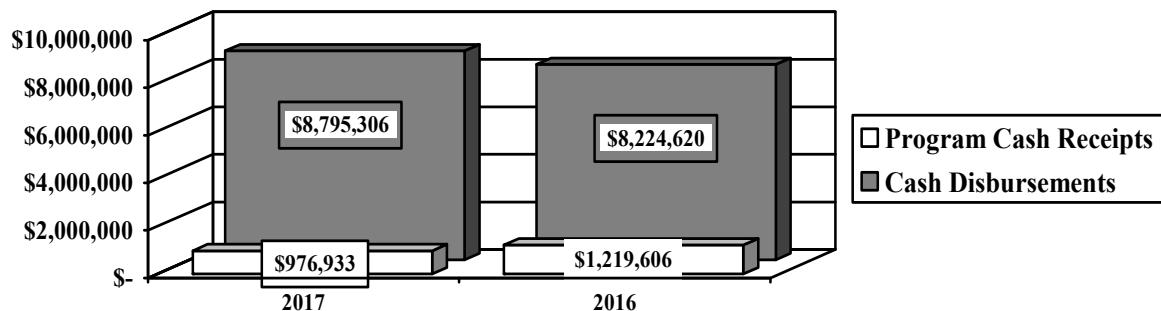
Governmental cash assets increased by \$81,526 in 2017 from 2016.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2017, general government cash disbursements totaled \$753,835 or 8.57% of total governmental cash disbursements. General government programs were supported by \$26,322 in direct charges to users for services.

In 2017, the public safety programs accounted for \$6,672,250 or 75.86% of total governmental cash disbursements. These operations are primarily supported through taxes.

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the program cash receipts for 2017 and 2016. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

**Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements**



**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

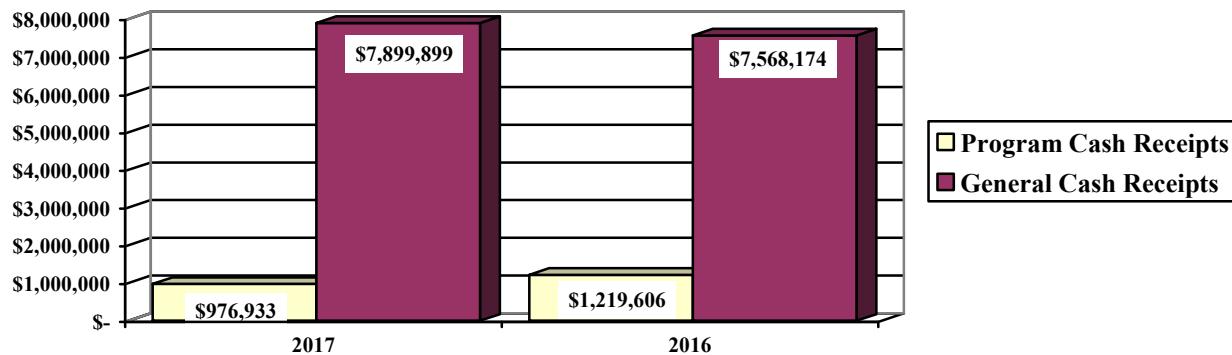
The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
<b>Cash disbursements:</b>				
<b>Current:</b>				
General government	\$ 753,835	\$ 727,513	\$ 721,511	\$ 695,008
Public safety	6,672,250	6,266,194	6,022,454	5,557,971
Public works	202,742	79,482	259,110	(7,053)
Health	114,530	16,000	142,087	46,565
Conservation and recreation	500,016	177,251	407,816	40,881
Capital outlay	425,247	425,247	546,812	546,812
<b>Debt service:</b>				
Principal retirement	96,000	96,000	92,000	92,000
Interest and fiscal charges	30,686	30,686	32,830	32,830
<b>Total</b>	<b><u>\$ 8,795,306</u></b>	<b><u>\$ 7,818,373</u></b>	<b><u>\$ 8,224,620</u></b>	<b><u>\$ 7,005,014</u></b>

The dependence upon general cash receipts for governmental activities is apparent with 88.89% and 85.17% of cash disbursements supported through taxes and other general cash receipts during 2017 and 2016, respectively.

The graph below presents the Township's governmental receipts for 2017 and 2016.

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

***Governmental Funds***

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

At December 31, 2017, the Township's governmental funds reported a combined fund balance of \$6,739,704, which is \$81,526 more than the 2016 total of \$6,658,178. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2017 and 2016 for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2017</u>	<u>Fund Balance</u> <u>December 31, 2016</u>	<u>Increase/</u> <u>(Decrease)</u>
<b>Major Funds:</b>			
General	\$ 2,257,052	\$ 2,389,992	\$ (132,940)
Fire District	2,288,444	2,055,740	232,704
Gasoline tax	808,248	729,276	78,972
Nonmajor funds	<u>1,385,960</u>	<u>1,483,170</u>	<u>(97,210)</u>
Total	<u><u>\$ 6,739,704</u></u>	<u><u>\$ 6,658,178</u></u>	<u><u>\$ 81,526</u></u>

***General Fund***

The general fund, one of the Township's major funds, had cash receipts of \$959,999 in 2017. The cash disbursements and other financing disbursements of the general fund, totaled \$1,092,939 in 2017. The general fund's fund balance decreased \$132,940 from 2016 to 2017.

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

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 728,806	\$ 715,974	\$ 12,832
Intergovernmental	145,558	149,912	(4,354)
License, permits and fees	26,322	26,503	(181)
Interest	37,546	31,917	5,629
Miscellaneous	<u>21,767</u>	<u>21,296</u>	<u>471</u>
Total	<u><u>\$ 959,999</u></u>	<u><u>\$ 945,602</u></u>	<u><u>\$ 14,397</u></u>

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

	<u>2017 Amount</u>	<u>2016 Amount</u>	<u>Increase/ (Decrease)</u>
<b><u>Cash Disbursements</u></b>			
General government	\$ 753,835	\$ 721,511	\$ 32,324
Public safety	77,891	23,041	54,850
Health	29,524	50,755	(21,231)
Conservation and recreation	102,600	70,000	32,600
Capital outlay	<u>2,403</u>	<u>2,149</u>	<u>254</u>
Total	<u>\$ 966,253</u>	<u>\$ 867,456</u>	<u>\$ 98,797</u>

***Fire District Fund***

The fire district fund, a Township major fund, had cash receipts of \$6,758,325 in 2017. The fire district fund had cash disbursements and other financing disbursements of \$6,525,621 in 2017. The fire district fund balance increased \$232,704 from 2016 to 2017.

***Gasoline Tax Fund***

The gasoline tax fund, a Township major fund, had cash receipts of \$93,294 in 2017. The gasoline tax fund had cash disbursements of \$14,322 in 2017. The gasoline tax fund balance increased \$78,972 from 2016 to 2017.

***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 2017, the final budgetary basis receipts of \$940,302 were \$2,772 less than the original budget disbursements of \$943,074. Actual cash receipts of \$959,999 were \$19,697 greater than final budget basis receipts. The final budgetary basis disbursements and other financing disbursements of \$1,714,484 were \$38,685 more than the original budget disbursements and other financing disbursements of \$1,675,799. Actual budgetary basis disbursements and other financing disbursements of \$1,104,384 were less than final budget estimates by \$610,100.

***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 \$425,247 and \$546,812 during 2017 and 2016, respectively.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

***Debt Administration***

The Township had the following debt outstanding at December 31, 2017 and 2016:

	<u>Governmental Activities</u> <u>2017</u>	<u>Governmental Activities</u> <u>2016</u>
Refunding Bonds - Swimming Pool	<u>\$ 1,221,000</u>	<u>\$ 1,317,000</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 2017:

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 are projected to be cut by 3.5% in the State budget starting in 2017. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2017. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall. The voters approved a 2.9 mil fire levy replacement and reduction (from the 1990 3.0 mil fire levy) for collection in 2015 and payment in 2016 collections; we expect this to meet the projected financial needs of the Plain Township Fire Department for the next 5 years.

These economic factors were considered in preparing the Township's budget for 2017. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**Contacting the Township's Financial Management**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 6,739,704
Total assets. . . . .	<u>6,739,704</u>
<b>Net cash position:</b>	
Restricted for:	
Nonexpendable. . . . .	2,030
Public safety . . . . .	2,561,308
Public works . . . . .	1,163,622
Health and human services . . . . .	135,210
Capital projects. . . . .	193,997
Unrestricted. . . . .	<u>2,683,537</u>
Total net cash position . . . . .	<u>\$ 6,739,704</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, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Program Cash Receipts</b>				<b>Net (Cash Disbursements)</b>
	<b>Cash Disbursements</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Cash Receipts and Changes in Net Position</b>
<b>Governmental activities:</b>					
General government . . . . .	\$ 753,835	\$ 26,322	\$ -	\$ -	\$ (727,513)
Public safety . . . . .	6,672,250	339,689	66,366	1	(6,266,194)
Public works. . . . .	202,742	-	122,187	1,073	(79,482)
Health . . . . .	114,530	98,530	-	-	(16,000)
Conservation and recreation . . . . .	500,016	322,765	-	-	(177,251)
Capital outlay. . . . .	425,247	-	-	-	(425,247)
Debt service:					
Principal retirement . . . . .	96,000	-	-	-	(96,000)
Interest and fiscal charges . . . . .	30,686	-	-	-	(30,686)
Total governmental activities. . . . .	<u>\$ 8,795,306</u>	<u>\$ 787,306</u>	<u>\$ 188,553</u>	<u>\$ 1,074</u>	<u>(7,818,373)</u>

**General receipts:**

Property and other taxes levied for:

General purposes . . . . .	728,806
Public safety - Fire district . . . . .	6,163,924
Road and bridge improvements. . . . .	184,447
Grants and entitlements not restricted to specific programs. . . . .	569,069
Investment receipts. . . . .	37,546
Miscellaneous . . . . .	<u>216,107</u>
Total general receipts. . . . .	<u>7,899,899</u>
Change in net position . . . . .	81,526
<b>Net cash position at beginning of year</b> . . . . .	<u>6,658,178</u>
<b>Net cash position at end of year</b> . . . . .	<u>\$ 6,739,704</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, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)

	<b>General</b>	<b>Fire District</b>	<b>Gasoline Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 2,257,052	\$ 2,288,444	\$ 808,248	\$ 1,385,960	\$ 6,739,704
Total assets . . . . .	<u>\$ 2,257,052</u>	<u>\$ 2,288,444</u>	<u>\$ 808,248</u>	<u>\$ 1,385,960</u>	<u>\$ 6,739,704</u>
<b>Fund balances:</b>					
Nonspendable:					
Permanent fund . . . . .	\$ -	\$ -	\$ -	\$ 2,030	\$ 2,030
Restricted:					
Public safety programs . . . . .	-	2,288,444	-	272,864	2,561,308
Public works programs . . . . .	-	-	808,248	355,374	1,163,622
Health programs . . . . .	-	-	-	135,210	135,210
Capital improvements - fire . . . . .	-	-	-	193,997	193,997
Committed:					
General government . . . . .	4,656				4,656
Conservation and recreation programs . . . . .	-	-	-	161,998	161,998
Public works programs . . . . .	-	-	-	223,986	223,986
Capital improvements - swimming pool. . . . .	-	-	-	40,501	40,501
Assigned:					
General government . . . . .	6,789	-	-	-	6,789
Subsequent year appropriations . . . . .	694,832	-	-	-	694,832
Unassigned. . . . .	<u>1,550,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550,775</u>
Total fund balances . . . . .	<u><u>\$ 2,257,052</u></u>	<u><u>\$ 2,288,444</u></u>	<u><u>\$ 808,248</u></u>	<u><u>\$ 1,385,960</u></u>	<u><u>\$ 6,739,704</u></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, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>	<b>Fire District</b>	<b>Gasoline Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Cash receipts:</b>					
Taxes. . . . .	\$ 728,806	\$ 6,163,924	\$ -	\$ 184,447	\$ 7,077,177
Intergovernmental. . . . .	145,558	404,546	88,537	111,574	750,215
Charges for services . . . . .	-	-	-	720,672	720,672
License, permits and fees . . . . .	26,322	-	-	38,250	64,572
Interest . . . . .	37,546	-	4,757	2,119	44,422
Miscellaneous. . . . .	21,767	189,851	-	8,156	219,774
Total cash receipts . . . . .	<u>959,999</u>	<u>6,758,321</u>	<u>93,294</u>	<u>1,065,218</u>	<u>8,876,832</u>
<b>Cash disbursements:</b>					
Current:					
General government. . . . .	753,835	-	-	-	753,835
Public safety . . . . .	77,891	6,222,383	-	371,976	6,672,250
Public works . . . . .	-	-	14,322	188,420	202,742
Health . . . . .	29,524	-	-	85,006	114,530
Conservation and recreation . . . . .	102,600	-	-	397,416	500,016
Capital outlay . . . . .	2,403	-	-	422,844	425,247
Debt service:					
Principal retirement . . . . .	-	-	-	96,000	96,000
Interest and fiscal charges. . . . .	-	-	-	30,686	30,686
Total cash disbursements. . . . .	<u>966,253</u>	<u>6,222,383</u>	<u>14,322</u>	<u>1,592,348</u>	<u>8,795,306</u>
Excess (deficiency) of cash receipts over (under) cash disbursements . . . . .	<u>(6,254)</u>	<u>535,938</u>	<u>78,972</u>	<u>(527,130)</u>	<u>81,526</u>
<b>Other financing receipts (disbursements):</b>					
Transfers in . . . . .	-	-	-	430,993	430,993
Transfers out . . . . .	(126,686)	(303,234)	-	(1,073)	(430,993)
Total other financing receipts (disbursements) . . . . .	<u>(126,686)</u>	<u>(303,234)</u>	<u>-</u>	<u>429,920</u>	<u>-</u>
Net change in fund balances. . . . .	<u>(132,940)</u>	<u>232,704</u>	<u>78,972</u>	<u>(97,210)</u>	<u>81,526</u>
<b>Fund balances</b>					
at beginning of year . . . . .	<u>2,389,992</u>	<u>2,055,740</u>	<u>729,276</u>	<u>1,483,170</u>	<u>6,658,178</u>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 2,257,052</u></b>	<b><u>\$ 2,288,444</u></b>	<b><u>\$ 808,248</u></b>	<b><u>\$ 1,385,960</u></b>	<b><u>\$ 6,739,704</u></b>

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, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Receipts:</b>				
Taxes . . . . .	\$ 742,696	\$ 744,738	\$ 728,806	\$ (15,932)
Intergovernmental . . . . .	126,156	123,125	145,558	22,433
License, permits and fees . . . . .	22,814	22,266	26,322	4,056
Interest. . . . .	32,542	31,760	37,546	5,786
Miscellaneous . . . . .	18,866	18,413	21,767	3,354
Total receipts. . . . .	<u>943,074</u>	<u>940,302</u>	<u>959,999</u>	<u>19,697</u>
<b>Disbursements:</b>				
Current:				
General government . . . . .	1,189,802	1,219,515	765,221	454,294
Public safety . . . . .	98,328	100,783	77,950	22,833
Health . . . . .	71,612	73,400	29,524	43,876
Conservation and recreation . . . . .	88,783	91,000	102,600	(11,600)
Capital outlay . . . . .	100,588	103,100	2,403	100,697
Total disbursements . . . . .	<u>1,549,113</u>	<u>1,587,798</u>	<u>977,698</u>	<u>610,100</u>
Excess of receipts over disbursements. . . . .	<u>(606,039)</u>	<u>(647,496)</u>	<u>(17,699)</u>	<u>629,797</u>
<b>Other financing disbursements:</b>				
Transfers out. . . . .	(126,686)	(126,686)	(126,686)	-
Total other financing disbursements . . . . .	<u>(126,686)</u>	<u>(126,686)</u>	<u>(126,686)</u>	<u>-</u>
Net change in fund balance. . . . .	(732,725)	(774,182)	(144,385)	629,797
<b>Fund balance at beginning of year. . . . .</b>	<b>2,383,590</b>	<b>2,383,590</b>	<b>2,383,590</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>6,402</b>	<b>6,402</b>	<b>6,402</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 1,657,267</u></b>	<b><u>\$ 1,615,810</u></b>	<b><u>\$ 2,245,607</u></b>	<b><u>\$ 629,797</u></b>

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, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Receipts:</b>				
Taxes . . . . .	\$ 5,415,247	\$ 5,462,195	\$ 6,163,924	\$ 701,729
Intergovernmental. . . . .	837,911	838,323	404,546	(433,777)
Miscellaneous. . . . .	393,230	393,424	189,851	(203,573)
Total receipts . . . . .	<u>6,646,388</u>	<u>6,693,942</u>	<u>6,758,321</u>	<u>64,379</u>
<b>Disbursements:</b>				
Current:				
Public safety. . . . .	<u>6,837,337</u>	<u>7,022,187</u>	<u>6,254,474</u>	<u>767,713</u>
Total disbursements . . . . .	<u>6,837,337</u>	<u>7,022,187</u>	<u>6,254,474</u>	<u>767,713</u>
Excess (deficiency) of cash receipts over (under) cash disbursements . . . . .	<u>(190,949)</u>	<u>(328,245)</u>	<u>503,847</u>	<u>832,092</u>
<b>Other financing receipts (disbursements):</b>				
Transfers out. . . . .	<u>(303,234)</u>	<u>(303,234)</u>	<u>(303,234)</u>	<u>-</u>
Total other financing receipts (disbursements) . . . . .	<u>(303,234)</u>	<u>(303,234)</u>	<u>(303,234)</u>	<u>-</u>
Net change in fund balance . . . . .	<u>(494,183)</u>	<u>(631,479)</u>	<u>200,613</u>	<u>832,092</u>
<b>Fund balance at beginning of year . . . . .</b>	<b>2,045,340</b>	<b>2,045,340</b>	<b>2,045,340</b>	<b>-</b>
<b>Prior year encumbrances appropriated. . . . .</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 1,561,557</u></b>	<b><u>\$ 1,424,261</u></b>	<b><u>\$ 2,256,353</u></b>	<b><u>\$ 832,092</u></b>

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, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Receipts:</b>				
Intergovernmental. . . . .	\$ 74,972	\$ 74,972	\$ 88,537	\$ 13,565
Interest. . . . .	4,028	4,028	4,757	729
Total receipts . . . . .	<u>79,000</u>	<u>79,000</u>	<u>93,294</u>	<u>14,294</u>
<b>Disbursements:</b>				
Current:				
Public works . . . . .	405,000	405,000	14,322	390,678
Total disbursements . . . . .	<u>405,000</u>	<u>405,000</u>	<u>14,322</u>	<u>390,678</u>
Net change in fund balance . . . . .	(326,000)	(326,000)	78,972	404,972
<b>Fund balance at beginning of year</b> . . . . .	<u>729,276</u>	<u>729,276</u>	<u>729,276</u>	<u>-</u>
<b>Fund balance at end of year</b> . . . . .	<u>\$ 403,276</u>	<u>\$ 403,276</u>	<u>\$ 808,248</u>	<u>\$ 404,972</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUND  
DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 1
Total additions. . . . .	<u>1</u>
Change in net position . . . . .	1
<b>Net cash position at beginning of year . . . . .</b>	<u>3,160</u>
<b>Net cash position at end of year . . . . .</b>	<u>\$ 3,161</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 1 - DESCRIPTION OF THE TOWNSHIP**

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

New Albany - Plain Local Joint Park District

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

**Rocky Fork-Blacklick Accord**

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

**Mid-Ohio Regional Planning Commission**

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

The Township has no ongoing financial interest or responsibility in the operation of the Center other than it is obligated to pay 3/13 of the capital expenses approved on an annual basis. The Board of Directors approves the operating budget of the Center. The operating budget is prepared by the Board of Education and delivered to the Board of Directors and Owners annually by May 31<sup>st</sup> 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 City, Township and the School District. 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.

**Jefferson Health Plan (the "Health Plan")**

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

**B. Basis of Presentation**

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

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

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

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

**C. Fund Accounting**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(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.

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

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

**D. Basis of Accounting**

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

**E. Budgetary Process**

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

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

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

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

**F. Cash and Investments**

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

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

During 2017, investments were limited to federal agency securities, a U.S. Treasury Note, a U.S. Government money market mutual fund and the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 2017 were \$37,546 which includes \$22,138 assigned from other Township funds.

**G. Inventory and Prepaid Items**

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

**H. Capital Assets**

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

**I. Accumulated Leave**

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

**J. Employer Contributions to Cost-Sharing Pension Plans**

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

**K. Long-term Obligations**

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

**L. Net Cash Position**

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

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

**M. Fund Balance**

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

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

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

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

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

*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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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 2016.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Changes in Accounting Principles**

For 2017, the Township has implemented GASB Statement No. 80, "Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14", GASB Statement No. 81 "Irrevocable Split-Interest Agreements", and GASB Statement No. 82, "Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73".

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Township.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Township.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the Township.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

**A. Deposits with Financial Institutions**

At December 31, 2017, the carrying amount of all Township deposits was \$2,113,506. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", as of December 31, 2017, \$1,861,061 of the Township's bank balance of \$2,116,203 was exposed to custodial risk as discussed below, while \$255,142 was covered by FDIC.

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2017, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLB	\$ 548,857	\$ 546,038	\$ 199,886	\$ -	\$ -	\$ -	\$ 346,152
FHLMC	1,757,024	1,742,295	259,204	-	494,493	-	988,598
FNMA	999,108	989,740	-	249,285	-	740,455	-
U.S. Treasury Note	199,497	199,497	199,497	-	-	-	-
STAR Ohio	772,888	772,888	772,888	-	-	-	-
US Government Money Market	351,985	351,985	351,985	-	-	-	-
<b>Total</b>	<b>\$ 4,629,359</b>	<b>\$ 4,602,443</b>	<b>\$ 1,783,460</b>	<b>\$ 249,285</b>	<b>\$ 494,493</b>	<b>\$ 740,455</b>	<b>\$ 1,334,750</b>

The weighted average maturity of investments is 1.41 years.

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2017:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FHLB	\$ 548,857	11.86
FHLMC	1,757,024	37.95
FNMA	999,108	21.58
U.S. Treasury Note	199,497	4.31
STAR Ohio	772,888	16.70
US Government		
Money Market	<u>351,985</u>	<u>7.60</u>
Total	<u>\$ 4,629,359</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, 2017:

<u>Cash and investments per note</u>
Carrying amount of deposits
Carrying amount of investments
Total

<u>Cash and investments per statement of net positon</u>
Governmental activities
Private purpose trust
Total

**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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)**

**NOTE 5 - PROPERTY TAX – (Continued)**

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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 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, 2017, was \$15.25 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

	<u>2017</u>
Real property tax	\$ 656,964,700
Public utility tangible personal property	<u>35,383,880</u>
Total assessed valuation	<u>\$ 692,348,580</u>

**NOTE 6 - DEBT OBLIGATIONS**

Transactions for the year ended December 31, 2017 are summarized as follows:

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance December 31, 2017</u>
Refunding Bonds - Pool	\$ 1,317,000	\$ -	\$ (96,000)	\$ 1,221,000
Total	<u>\$ 1,317,000</u>	<u>\$ -</u>	<u>\$ (96,000)</u>	<u>\$ 1,221,000</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. 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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 6 - DEBT OBLIGATIONS – (Continued)**

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2017, are as follows:

<u>Year Ending December 31,</u>	<u>Current Interest Bonds</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2018	\$ 100,000	\$ 28,449	\$ 128,449	
2019	99,000	26,119	125,119	
2020	102,000	23,813	125,813	
2021	106,000	21,436	127,436	
2022	109,000	18,966	127,966	
2023 - 2027	581,000	55,640	636,640	
2028	<u>124,000</u>	<u>2,889</u>	<u>126,889</u>	
Total	<u>\$ 1,221,000</u>	<u>\$ 177,312</u>	<u>\$ 1,398,312</u>	

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

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

	<u>State and Local</u>
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0 %</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

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

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

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

The Township's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$78,405 for 2017.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Plan Description - Township full-time police and 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 OPF website at [www.op-f.org](http://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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**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>Police</u>	<u>Firefighters</u>
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2017 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$707,713 for 2017.

**NOTE 8 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 8 - POSTRETIEMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

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

The Township's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$6,031, \$11,725, and \$7,827, respectively.

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

**B. Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

**NOTE 8 - POSTRETIEMENT BENEFIT PLANS - (Continued)**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The Township's contributions to OP&F which were allocated to fund post-employment healthcare benefits for firefighters was \$15,058 for the year ended December 31, 2017, \$15,547 for the year ended December 31, 2016, and \$13,467 for the year ended December 31, 2015.

**NOTE 9 - RISK MANAGEMENT**

**Risk Pool Membership**

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

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

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

**Casualty and Property Coverage**

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

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

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)**

**NOTE 9 - RISK MANAGEMENT - (Continued)**

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 (the latest information available):

<u>Casualty Coverage</u>	<u>2016</u>
Assets	\$ 38,473,283
Liabilities	<u>(8,244,140)</u>
Net position	<u>\$ 30,229,143</u>

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$19,263.

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

<u>Contributions to OTARMA</u>	
2017	\$42,807

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

**NOTE 10 - CONTINGENCIES**

**A. Litigation**

The Township is currently not party to any pending litigation.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)**

**NOTE 10 – CONTINGENCIES – (Continued)**

**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, 2017.

**NOTE 11 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended December 31, 2017, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	
General fund	\$ 126,686
Fire district	303,234
Nonmajor governmental funds	<u>1,073</u>
Total	<u>\$ 430,993</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.

**PLAIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(SEE ACCOUNTANT'S COMPILED REPORT)**

**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	\$ 11,445
Fire district	32,091
Other governmental	<u>32,414</u>
 Total	 <u>\$ 75,950</u>

**NOTE 13 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of cash receipts, cash disbursements and changes in fund cash balance - budget and actual (budgetary basis) presented for the general fund and fire district fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements on the budgetary basis but are not on a cash basis. At December 31, 2017, the encumbrances outstanding at year end (budgetary basis) amounted to \$11,445 for the general fund and \$32,091 for the fire district fund.

**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 City and/or Township designates areas to encourage revitalization of the existing housing stock and the development of new structures. The Township has 24 properties that are receiving tax abatements. The total value of taxes abated for 2017 was \$700,488.