



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

PRAIRIE TOWNSHIP
FRANKLIN COUNTY, OHIO

REGULAR AUDIT

For the Years Ended December 31, 2018 and 2017
Fiscal Years Audited Under GAGAS: 2018 and 2017

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Prairie Township
23 Maple Drive
Columbus, Ohio 43228

We have reviewed the *Independent Auditor's Report* of Prairie Township, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Prairie Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 8, 2019

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Prairie Township
Franklin County, Ohio
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INDEPENDENT AUDITOR'S REPORT

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prairie Township, Franklin County, Ohio (the Township), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Prairie Township, Franklin County, Ohio, as of December 31, 2018 and 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General, Fire, Community Recreation Center and Joint Economic Development Zone funds thereof for the year then ended December 31, 2018 and for the General, Fire, and Joint Economic Development Zone funds thereof for the year then ended December 31, 2017 in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2019, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
May 29, 2019

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

This discussion and analysis of Prairie Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2018 and 2017 within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2018 and 2017 are as follows:

- For fiscal year 2018 net position of governmental activities decreased \$210,994 or 2.1%. For fiscal year 2017 net position of governmental activities increased \$493,605 or 5.4%.
- For fiscal year 2018, general cash receipts, including contributions to permanent fund, accounted for \$6,296,269 or 47.7% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$6,916,489 or 52.3% of total governmental activities cash receipts. For fiscal year 2017, general cash receipts, including contributions to permanent fund, accounted for \$5,689,780 or 46.8% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$6,554,991 or 53.2% of total governmental activities cash receipts.
- For fiscal year 2018, the Township had \$13,423,752 in cash disbursements related to governmental activities: \$6,916,489 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes) of \$6,318,333 were not adequate to provide for these programs. For fiscal year 2017, the Township had \$11,751,166 in cash disbursements related to governmental activities: \$6,554,991 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes) of \$5,689,780 were adequate to provide for these programs.
- The Township's major funds are the General, Fire, Joint Economic Development Zone and the Community Recreation Center funds for 2018 and the General, Fire, and Joint Economic Development Zone funds for 2017. The General fund, the Township's largest major fund, had cash receipts and other financing sources of \$3,456,320 and \$3,878,113 in 2018 and 2017, respectively. The General Fund had cash disbursements and other financing uses of \$3,317,617 and \$3,621,952 for 2018 and 2017, respectively. The General fund's cash balance increased \$138,703 from 2017 to 2018 and increased \$256,161 from 2016 to 2017.
- The Fire fund, a major Township fund, had cash receipts and other financing sources of \$4,496,237 and \$4,464,917 in 2018 and 2017, respectively. The Fire fund had cash disbursements of \$4,777,652 and \$4,793,007 in 2018 and 2017, respectively. The Fire fund's cash balance decreased \$281,415 from 2017 to 2018 and decreased \$328,090 from 2016 to 2017.

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- The JEDZ fund, a major Township fund, had cash receipts and other financing sources of \$1,713,869 and \$1,644,701 in 2018 and 2017, respectively. The JEDZ fund had cash disbursements and other financing uses of \$1,678,103 and \$1,638,333 in 2018 and 2017, respectively.
- The Community Recreation Center fund, a major Township fund in 2018, had cash receipts and other financing sources of \$1,647,119. The Community Recreation Center fund had cash disbursements and other financing uses of \$1,602,934.

Using the Cash Basis Financial Statements

This cash basis annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

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

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The Statement of Net Position and the Statement of Activities reflect how the Township did financially during 2018 and 2017, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not

Prairie Township
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classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the Statement of Net Position and the Statement of Activities:

Governmental Activities - Most of the Township's basic services are reported here, including fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Fire, Joint Economic Development Zone, and the Community Recreation Center fund in 2018 and the General, Fire, and Joint Economic Development Zone funds in 2017. Since the Township is reporting on the cash basis of accounting, there are no differences in net position and fund cash balances, and changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Notes to the Financial Statements

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2018 compared to 2017 on a cash basis:

Net Cash Position		
Table 1		
	Governmental Activities	
	2018	2017
Assets		
Cash and Cash Equivalents	\$ 9,064,048	\$ 9,275,042
Total Assets	9,064,048	9,275,042
Net Position		
Restricted for:		
Capital Projects	133,570	318,573
Permanent Fund Purpose		
Expendable	55	55
Nonexpendable	2,000	2,000
Other Purposes	3,497,608	3,706,487
Unrestricted	5,430,815	5,247,927
Total Net Position	\$ 9,064,048	\$ 9,275,042

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Management's Discussion and Analysis
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Table 2 reflects the changes in net position on a cash basis in 2018 and 2017 for governmental activities.

Changes in Net Position		
Table 2		
	Governmental Activities	
	2018	2017
Receipts:		
Programs Receipts:		
Charges for Services and Sales	\$ 2,496,115	\$ 2,352,239
Operating Grants and Contributions	3,687,638	3,533,602
Capital Grants and Contributions	732,736	669,150
Total Program Receipts	<u>6,916,489</u>	<u>6,554,991</u>
General Receipts:		
Property and Other Local Taxes	4,410,296	4,316,462
Grants and Entitlements Not Restricted for Specific Programs	1,035,262	1,024,421
Sale of Bonds	-	3,000
Sale of Capital Assets	79,025	4,195
Proceeds from Loans	372,515	-
Cable Franchise Fees	181,918	175,716
Earnings on Investments	85,327	65,137
Miscellaneous	131,926	100,849
Total General Receipts	<u>6,296,269</u>	<u>5,689,780</u>
Total Receipts	<u>13,212,758</u>	<u>12,244,771</u>
Disbursements:		
General Government	1,359,320	1,194,024
Public Safety	5,429,016	5,126,697
Public Works	1,198,974	1,219,351
Health	218,551	192,063
Conservation-Recreation	1,758,156	1,683,279
Other	731,354	729,863
Capital Outlay	1,949,324	868,084
Principal Retirement	408,731	363,070
Interest and Fiscal Charges	370,326	374,735
Total Disbursements	<u>13,423,752</u>	<u>11,751,166</u>
Increase (Decrease) in Net Position	(210,994)	493,605
Net Position at the beginning of the year	<u>9,275,042</u>	<u>8,781,437</u>
Net Position at the end of the year	<u>\$ 9,064,048</u>	<u>\$ 9,275,042</u>

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Franklin County, Ohio
Management's Discussion and Analysis
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Unaudited

Program receipts represent only 52.3 percent and 53.2 percent, for 2018 and 2017, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

General receipts represent 47.7 percent and 46.8 percent in 2018 and 2017 respectively, of the Township's total receipts, and of this amount, roughly 69.8 percent and 74.8 percent in 2018 and 2017, respectively, are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (16.4 and 17.8 percent in 2018 and 2017, respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of council, and the auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. For 2018, the major program disbursements for governmental activities are for public safety and capital outlay, which account for 40.4 percent and 14.5 percent of all governmental disbursements, respectively. For 2017, the major program disbursements for governmental activities are for public safety and conservation-recreation, which account for 43.3 percent and 14.2 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 10.1 percent and 10.1 for 2018 and 2017 respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Governmental Activities

Table 3

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
General Government	\$ 1,359,320	\$ (863,396)	\$ 1,194,024	\$ (1,245,242)
Public Safety	5,429,016	2,783,372	5,126,697	2,600,449
Public Works	1,198,974	536,995	1,219,351	911,575
Health	218,551	68,896	192,063	30,335
Conservation-Recreation	1,758,156	624,939	1,683,279	664,521
Other	731,354	628,076	729,863	628,648
Capital Outlay	1,949,324	1,949,324	868,084	868,084
Principal Retirement	408,731	408,731	363,070	363,070
Interest and Fiscal Charges	370,326	370,326	374,735	374,735
Total Expenses	<u>\$ 13,423,752</u>	<u>\$ 6,507,263</u>	<u>\$ 11,751,166</u>	<u>\$ 5,196,175</u>

The dependence upon property tax receipts is apparent as over 32.9 percent of governmental activities in 2018 and 36.4 percent in 2017 are supported through these general receipts.

The Township's Funds

In 2018, the total governmental funds had receipts (excluding other financing sources) of \$12,760,532 and disbursements of \$13,423,752. In 2017, the total governmental funds had receipts (excluding other financing sources) of \$12,237,576 and disbursements of \$11,751,166. The greatest change within governmental funds from 2017 to 2018 occurred within the Fire Levy Fund. The fund balance of the Fire Levy Fund decreased \$281,415, primarily due to disbursements exceeding receipts. The greatest change within governmental funds from 2016 to 2017 occurred within the Fire Levy Fund. The fund balance of the Fire Levy Fund decreased \$328,090, primarily due to disbursements exceeding receipts.

General Fund Budgeting Highlights

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

In 2018, for the General fund, actual receipts of \$3,456,320 were \$531,021 more than the final budgeted receipts. In 2017, for the General fund, actual receipts of \$3,878,113 were \$1,190,962 higher than the final budgeted receipts. For 2018, General Fund final disbursements were budgeted at \$3,456,460 while actual disbursements were \$3,476,128. For 2017, final disbursements were budgeted at \$2,806,008 while actual disbursements were \$3,632,301.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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Capital Assets and Debt Administration

Capital Assets

The Township does not currently record its capital assets in the accompanying financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$1,949,324 and \$868,084 for 2018 and 2017, respectively.

Debt

At December 31, 2018, the Township's outstanding debt with Ohio Public Works Commission at 0% interest in the amount of \$1,297,898, is for the purpose of street repairs. At December 31, 2017, the Township's outstanding debt with Ohio Public Works Commission at 0% interest in the amount of \$1,405,490, is for the purpose of street repairs. At December 31, 2018, the Township's outstanding balance on the Community Recreation Center Bonds, Series 2016 was \$8,405,000. These bonds were issued to refinance the Community Recreation Center Bonds, Series 2013 at a reduced interest rate. At December 31, 2017, the Township's outstanding balance on the Community Recreation Center Bonds, Series 2013 was \$8,415,000. These bonds were issued for the purpose of funding the construction of a community recreation center. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

Changes in State law and funding policies will threaten to create significant revenue shortfalls in the township budget. The continuing reduction of Local Government Revenue and Local Government Revenue Assistance Funds will cause additional budget cuts by the Township. Combinations of additional spending and service cuts, new revenue sources and shared service programs with neighboring jurisdictions must be identified in order for the township to maintain its financial health.

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

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dan McCardle, Fiscal Officer, 23 Maple Drive, Columbus, Ohio 43228.

Prairie Township
Franklin County, Ohio
Statement of Net Position - Cash Basis
December 31, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 9,064,048
<i>Total Assets</i>	<i>\$ 9,064,048</i>
 Net Position	
Restricted for:	
Capital Projects	\$ 133,570
Permanent Fund Purpose:	
Expendable	55
Nonexpendable	2,000
Other Purposes	3,497,608
Unrestricted	5,430,815
<i>Total Net Position</i>	<i>\$ 9,064,048</i>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
General Government	\$ 1,359,320	\$ 141,799	\$ 1,804,069	\$ 276,848	\$ 863,396
Public Safety	5,429,016	928,850	1,716,794	-	(2,783,372)
Public Works	1,198,974	123,084	166,775	372,120	(536,995)
Health	218,551	149,655	-	-	(68,896)
Conservation-Recreation	1,758,156	1,133,217	-	-	(624,939)
Other	731,354	19,510	-	83,768	(628,076)
Capital Outlay	1,949,324	-	-	-	(1,949,324)
Debt Service:					
Principal Retirement	408,731	-	-	-	(408,731)
Interest and Fiscal Charges	370,326	-	-	-	(370,326)
Total	<u>13,423,752</u>	<u>2,496,115</u>	<u>3,687,638</u>	<u>732,736</u>	<u>(6,507,263)</u>
General Receipts:					
Property Taxes and Other Local Taxes:					
					4,333,325
					76,971
					1,035,262
					-
					372,515
					79,025
					181,918
					85,327
					<u>131,926</u>
					<u>6,296,269</u>
					(210,994)
					<u>9,275,042</u>
					<u>\$ 9,064,048</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2018

	General	Fire Fund	JEDZ Fund	Community Recreation Center Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 5,270,950	\$ 1,127,937	\$ 364,167	\$ 159,865	\$ 2,141,129	\$ 9,064,048
<i>Total Assets</i>	<u>\$ 5,270,950</u>	<u>\$ 1,127,937</u>	<u>\$ 364,167</u>	<u>\$ 159,865</u>	<u>\$ 2,141,129</u>	<u>\$ 9,064,048</u>
Fund Balances						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	1,127,937	364,167	-	1,757,019	3,249,123
Committed	-	-	-	-	279,800	279,800
Assigned	-	-	-	159,865	104,310	264,175
Unassigned (Deficit)	5,270,950	-	-	-	-	5,270,950
<i>Total Fund Balances</i>	<u>\$ 5,270,950</u>	<u>\$ 1,127,937</u>	<u>\$ 364,167</u>	<u>\$ 159,865</u>	<u>\$ 2,141,129</u>	<u>\$ 9,064,048</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General	Fire Fund	JEDZ Fund	Community Recreation Center Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 237,194	\$ 3,906,122	\$ -	\$ -	\$ 390,064	\$ 4,533,380
Charges for Services	-	-	-	-	669,250	669,250
Licenses, Permits and Fees	291,334	17,457	-	1,109,319	72,856	1,490,966
Fines and Forfeitures	23,171	-	-	-	-	23,171
Intergovernmental	2,273,053	529,155	1,713,869	-	939,558	5,455,635
Special Assessments	40,407	-	-	-	228,058	268,465
Earnings on Investments	84,192	-	-	-	1,135	85,327
Miscellaneous	53,135	39,478	-	37,800	103,924	234,337
<i>Total Receipts</i>	<u>3,002,486</u>	<u>4,492,212</u>	<u>1,713,869</u>	<u>1,147,119</u>	<u>2,404,845</u>	<u>12,760,531</u>
Disbursements						
Current:						
General Government	1,359,320	-	-	-	-	1,359,320
Public Safety	161,084	4,775,263	-	-	492,669	5,429,016
Public Works	177,612	-	-	-	1,021,362	1,198,974
Health	78,637	-	-	-	139,914	218,551
Conservation-Recreation	170,115	-	-	1,588,041	-	1,758,156
Other	-	-	729,854	-	1,500	731,354
Capital Outlay	-	2,389	-	14,893	1,932,042	1,949,324
Debt Service:						
Principal Retirement	41,644	-	208,275	-	158,812	408,731
Interest and Fiscal Charges	14,723	-	353,250	-	2,353	370,326
<i>Total Disbursements</i>	<u>2,003,135</u>	<u>4,777,652</u>	<u>1,291,379</u>	<u>1,602,934</u>	<u>3,748,652</u>	<u>13,423,752</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>999,351</u>	<u>(285,440)</u>	<u>422,490</u>	<u>(455,815)</u>	<u>(1,343,807)</u>	<u>(663,221)</u>
Other Financing Sources (Uses)						
Loans Issued	-	-	-	-	372,515	372,515
Sale of Capital Assets	-	4,025	-	-	75,000	79,025
Transfers In	-	-	-	500,000	868,065	1,368,065
Transfers Out	(784,484)	-	(386,724)	-	(196,857)	(1,368,065)
Advances In	453,148	-	-	-	529,999	983,147
Advances Out	(529,999)	-	-	-	(453,148)	(983,147)
Other Financing Sources	687	-	-	-	-	687
<i>Total Other Financing Sources (Uses)</i>	<u>(860,648)</u>	<u>4,025</u>	<u>(386,724)</u>	<u>500,000</u>	<u>1,195,574</u>	<u>452,227</u>
<i>Net Change in Fund Balances</i>	<u>138,703</u>	<u>(281,415)</u>	<u>35,766</u>	<u>44,185</u>	<u>(148,233)</u>	<u>(210,994)</u>
<i>Fund Balances Beginning of Year</i>	<u>5,132,247</u>	<u>1,409,352</u>	<u>328,401</u>	<u>115,680</u>	<u>2,289,362</u>	<u>9,275,042</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,270,950</u>	<u>\$ 1,127,937</u>	<u>\$ 364,167</u>	<u>\$ 159,865</u>	<u>\$ 2,141,129</u>	<u>\$ 9,064,048</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 232,000	\$ 232,000	\$ 237,194	\$ 5,194
Licenses, Permits and Fees	320,000	320,000	291,334	(28,666)
Fines and Forfeitures	45,000	45,000	23,171	(21,829)
Intergovernmental	2,228,300	2,228,299	2,273,053	44,754
Special Assessments	30,000	30,000	40,407	10,407
Earnings on Investments	50,000	50,000	84,192	34,192
Miscellaneous	20,000	20,000	53,135	33,135
<i>Total Receipts</i>	<u>2,925,300</u>	<u>2,925,299</u>	<u>3,002,486</u>	<u>77,187</u>
Disbursements				
Current:				
General Government	1,485,006	2,014,992	1,359,320	655,672
Public Safety	170,000	170,000	161,084	8,916
Public Works	179,844	179,844	177,612	2,232
Health	82,000	78,637	78,637	-
Conservation-Recreation	171,844	171,844	170,115	1,729
Debt Service:				
Principal Retirement	41,644	41,644	41,644	-
Interest and Fiscal Charges	14,723	14,723	14,723	-
<i>Total Disbursements</i>	<u>2,145,061</u>	<u>2,671,684</u>	<u>2,003,135</u>	<u>668,549</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>780,239</u>	<u>253,615</u>	<u>999,351</u>	<u>745,736</u>
Other Financing Sources (Uses)				
Transfers Out	(783,000)	(784,776)	(784,484)	292
Advances In	-	-	453,148	453,148
Advances Out	-	-	(529,999)	(529,999)
Other Financing Sources	-	-	687	687
<i>Total Other Financing Sources (Uses)</i>	<u>(783,000)</u>	<u>(784,776)</u>	<u>(860,648)</u>	<u>(75,872)</u>
<i>Net Change in Fund Balance</i>	(2,761)	(531,161)	138,703	669,864
<i>Unencumbered Fund Balance Beginning of Year</i>	5,121,898	5,121,898	5,121,898	-
Prior Year Encumbrances Appropriated	10,349	10,349	10,349	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 5,129,486</u>	<u>\$ 4,601,086</u>	<u>\$ 5,270,950</u>	<u>\$ 669,864</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 3,725,000	\$ 3,725,000	\$ 3,906,122	\$ 181,122
Licenses, Permits and Fees	17,000	17,000	17,457	457
Intergovernmental	550,000	550,000	529,155	(20,845)
Miscellaneous	-	-	39,478	39,478
<i>Total Receipts</i>	<u>4,292,000</u>	<u>4,292,000</u>	<u>4,492,212</u>	<u>200,212</u>
Disbursements				
Current:				
Public Safety	5,046,350	5,046,350	4,775,263	271,087
Capital Outlay	5,000	5,000	2,389	2,611
<i>Total Disbursements</i>	<u>5,051,350</u>	<u>5,051,350</u>	<u>4,777,652</u>	<u>273,698</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(759,350)</u>	<u>(759,350)</u>	<u>(285,440)</u>	<u>473,910</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	4,025	4,025
Transfers Out	-	(371,160)	-	371,160
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(371,160)</u>	<u>4,025</u>	<u>375,185</u>
<i>Net Change in Fund Balance</i>	(759,350)	(1,130,510)	(281,415)	849,095
<i>Unencumbered Fund Balance Beginning of Year</i>	1,407,052	1,407,052	1,407,052	-
Prior Year Encumbrances Appropriated	2,300	2,300	2,300	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 650,002</u>	<u>\$ 278,842</u>	<u>\$ 1,127,937</u>	<u>\$ 849,095</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
JEDZ Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 1,650,000	\$ 1,650,000	\$ 1,713,869	\$ 63,869
<i>Total Receipts</i>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,713,869</u>	<u>63,869</u>
Disbursements				
Current:				
Other	730,000	730,000	729,854	146
Debt Service:				
Principal Retirement	10,000	208,275	208,275	-
Interest and Fiscal Charges	334,975	353,250	353,250	-
<i>Total Disbursements</i>	<u>1,074,975</u>	<u>1,291,525</u>	<u>1,291,379</u>	<u>146</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>575,025</u>	<u>358,475</u>	<u>422,490</u>	<u>64,015</u>
Other Financing Sources (Uses)				
Transfers Out	(445,000)	(445,000)	(386,724)	58,276
<i>Total Other Financing Sources (Uses)</i>	<u>(445,000)</u>	<u>(445,000)</u>	<u>(386,724)</u>	<u>58,276</u>
<i>Net Change in Fund Balance</i>	130,025	(86,525)	35,766	122,291
<i>Unencumbered Fund Balance Beginning of Year</i>	328,401	328,401	328,401	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 458,426</u>	<u>\$ 241,876</u>	<u>\$ 364,167</u>	<u>\$ 122,291</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Community Recreation Center Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Licenses, Permits and Fees	\$ 970,300	\$ 1,008,300	\$ 1,109,319	\$ 101,019
Miscellaneous	30,000	30,000	37,800	7,800
<i>Total Receipts</i>	<u>1,000,300</u>	<u>1,038,300</u>	<u>1,147,119</u>	<u>108,819</u>
Disbursements				
Current:				
Conservation-Recreation	1,616,300	1,652,607	1,588,041	64,566
Other	15,000	14,893	14,893	-
<i>Total Disbursements</i>	<u>1,631,300</u>	<u>1,667,500</u>	<u>1,602,934</u>	<u>64,566</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(631,000)</u>	<u>(629,200)</u>	<u>(455,815)</u>	<u>173,385</u>
Other Financing Sources (Uses)				
Transfers In	570,000	570,000	500,000	(70,000)
<i>Total Other Financing Sources (Uses)</i>	<u>570,000</u>	<u>570,000</u>	<u>500,000</u>	<u>(70,000)</u>
<i>Net Change in Fund Balance</i>	(61,000)	(59,200)	44,185	103,385
<i>Unencumbered Fund Balance Beginning of Year</i>	115,680	115,680	115,680	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 54,680</u>	<u>\$ 56,480</u>	<u>\$ 159,865</u>	<u>\$ 103,385</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
December 31, 2018

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,544
<i>Total Assets</i>	<u>\$ 5,544</u>
Net Position	
Held For:	
On Behalf of Refundable Security Deposits	\$ 5,544
<i>Total Net Position</i>	<u>\$ 5,544</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Prairie Township, Franklin County, Ohio (the Township), is a body politic and corporate established in 1819 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer. The Township is also limited home rule form of government since 2002.

The reporting entity is comprised of the primary government.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, and cemetery maintenance. Police protection is provided by the Franklin County Sheriff's Department.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in two joint ventures and the Ohio Township Association Risk Management Authority public entity risk pool. Notes 6 and 14 to the financial statements provides additional information for these entities. These organizations are:

Joint Venture:

Prairie Township-City of Columbus Joint Economic Development District is a contract created on November 15, 2010 under Ohio Revised Code 715.72 through 718.81 (the "JEDD Statutes") to facilitate economic development, to create jobs and employment opportunities and to improve the economic welfare of the people of the Township, the City, the County of Franklin, and the State of Ohio.

Prairie-Obetz Joint Economic Development Zone (JEDZ) is a contract created on August 1, 2011 under Ohio Revised Code 715.691 to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the Village, the Township and the State, and their residents.

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk-sharing pool available to Ohio townships which provides property and casualty coverage for its members.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, 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 and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which the 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. Fiduciary funds are reported by type.

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 two categories, governmental, and fiduciary.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Fire Fund, Joint Economic Development Zone Fund (JEDZ), and Community Recreation Center Fund for fiscal year ended December 31, 2018.

General: The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fire Fund: The Fire Fund receives real estate and personal property taxes to provide for fire services.

Joint Economic Development Zone Fund (JEDZ) Fund: The JEDZ Fund accounts for receipts from income taxes received from the zone primarily on Broad Street within the Township as outlined in the JEDZ agreement which restricts the funds for commercial and economic development within the JEDZ.

Community Recreation Center Fund: The Community Recreation Center Fund accounts for and reports resources restricted for the community recreation center.

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

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 does not have pension trust funds, investment trust funds, or private purpose trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for developer bonds and permits.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note.

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 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 fund, department, and object level for all funds.

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

The appropriations 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.

Cash and Investments

Township records identify the purchase of specific investments by specific funds.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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, respectively.

During 2018, the Township invested in nonnegotiable certificates of deposit, Federal National Mortgage Association Notes, a money market mutual fund, and STAR Ohio. The nonnegotiable certificates of deposit and the Federal National Mortgage Association Notes are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by 5/3rd Securities on December 31, 2018.

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 also implemented GSAB Statement No. 79 for 2016. The implementation of this GASB pronouncement had no effect on beginning net position/fund balance. The Township measures their investments in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2018 was \$85,327. Interest receipts credited to the other Township funds during 2018 was \$1,135.

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township did not have any restricted assets at December 31, 2018.

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.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

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 expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

Interfund Transactions

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 sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Fire and JEDZ Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at 2018 (budgetary basis) amounted to \$158,502 for the General Fund, \$30,000 for the JEDD Fund, \$116,984 for the Parks Capital Fund and \$38,334 for the OPWC Lincoln Village Curb Ramp Fund.

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits and Investments (Continued)

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio).

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had \$100 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2018, the Township had the following investments:

	Fair Value	Maturity
U.S. Treasury/Agency Securities	\$1,816,173	1-4 years
Certificates of Deposits	4,050,046	Less than 1 year
Money Market Mutual Fund	1,125,648	Less than 1 year
STAR Ohio	1,040	Less than 1 year
Total Portfolio	\$6,992,907	

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk

The security underlying the federal national mortgage association notes carry a rating of Aaa by Moody's and AA+ by Standard & Poor's. STAR Ohio carries a rating of AAAm by Standard and Poor's. The money market fund carries a rating of AAA by Moody's and AAA by Standard and Poor's. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 investments or collateral securities that are in the possession of an outside party. The repurchase agreement, federal national mortgage association notes, federal home loan mortgage corporation notes, and the federal home loan bank notes are exposed to custodial credit risk as 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 requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk The Township places no limit on the amount it may invest in any one issuer.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits and Investments (Continued)

The following investments represent five percent or more of total investments as of December 31, 2018:

Investment Issuer	Percentage of Investments
US Treasury/Agency Securities	26 %
Certificates of Deposits	58 %
Money Market Mutual Fund	16 %

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2018, was \$21.81 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

	2018
Real Property & Public Personal Property	277,351,620
Public Utility Personal Property	38,052,230
	315,403,850

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.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management

Risk Pool Membership

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

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

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

	2018
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police, 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. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plan (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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members non other Groups and members hired on or after January 7, 2013
State and Local Employees		
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Public Safety Employees		
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years
Law Enforcement Employees		
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

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

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

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plan (Continued)

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

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

	State and Local Employees	Public Safety Employees	Law Enforcement Employees
2018 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee	10.00%	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	13.00%	17.10%	17.10%
Post-employment Health Care Benefits	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</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 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 was \$190,266 for year 2018.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - Village full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.opf.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 OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent 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.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plan (Continued)

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2018 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
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 OPF was \$632,303 for 2018.

Social Security

Some Township employees contribute to Social Security (Part-time Fire Fighters and Zoning Board members only). This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Postemployment Benefits (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$76,106 for the year 2018.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Postemployment Benefits (Continued)

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Postemployment Benefits (Continued)

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

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

The Township's contractually required contribution to OPF was \$13,453 for 2018.

Note 9 – Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity	Fund for Repayment
OPWC Loan - Palmetto Street	0.0%	\$319,554	July 2026	Palmetto Road Project Fund
OPWC Loan - Inah Avenue	0.0%	506,359	July 2029	Inah Ave. Road Project Fund
OPWC Loan - South Greener (Phase I)	0.0%	332,751	July 2030	South Greener Phase I Fund
OPWC Loan - South Greener (Phase II)	0.0%	129,279	July 2031	South Greener Phase II Fund
OPWC Loan - South Greener (Phase III)	0.0%	207,677	July 2032	South Greener Phase III Fund
OPWC Loan - Woodland Avenue	0.0%	370,856	July 2034	Woodlawn Ave Impr. Fund
OPWC Loan - Beacon Hill Road	0.0%	285,315	July 2034	Beacon Hill Road Impr. Fund
GO-Community Center Bond, 2016 Series	4.00%	8,430,000	December 2038	JEDZ Funds
Sport Complex Concession Stand	3.40%	425,000	August 2017	General Fund

The Township's long-term debt activity for the year ended December 31, 2018, was as follows:

	Amount Outstanding 12/31/17	Additions	Deletions	Amount Outstanding 12/31/18	Amounts Due in One Year
Governmental Activities:					
OPWC Loan - Palmetto Street	\$135,810	\$0	\$15,978	\$119,832	\$15,978
OPWC Loan - Inah Avenue	290,862	0	25,318	265,544	25,318
OPWC Loan - South Greener (Phase I)	199,649	0	16,638	183,011	16,638
OPWC Loan - South Greener (Phase II)	87,263	0	6,464	80,799	6,464
OPWC Loan - South Greener (Phase III)	150,564	0	10,385	140,179	10,384
OPWC Loan - Beacon Hill Road	235,385	0	14,266	221,119	14,266
OPWC Loan - Woodlawn Avenue	305,957	0	18,543	287,414	18,543
GO-Community Center Bonds, Series 2016	8,415,000	0	10,000	8,405,000	10,000
Sport Complex Concession Stand	0	372,515	36,347	336,168	37,593
Total	\$9,820,490	\$372,515	\$153,939	\$10,039,066	\$155,184

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (Continued)

The Township entered into loan agreements for \$319,554, \$506,359, \$332,751, \$129,279, \$207,677, \$370,856 and \$285,315 with the Ohio Public Works Commission in accordance with § 164.05 of the Ohio Revised Code and §164-1-21 of the Ohio Administrative Code. These agreements were to help finance the street improvement project on Palmetto Road, Inah Avenue, South Greener Road Improvement (Phase I, II and III), Woodlawn Avenue and Beacon Hill Road. The Township will pay Ohio Public Works Commission semi-annual payments for 20 years.

In August 2013, the Township issued \$9,740,000 in General Obligation Community Recreation Center Bonds for the purpose of using the proceeds to construct a community recreation center. These bonds were issued at a premium of \$253,222.

In October 2016, the Township issued \$8,430,000 in General Obligation Community Recreation Center Bonds to refinance the existing General Obligation Community Recreation Center Bonds for a reduced interest rate. These bonds were issued at a premium of \$1,333,617.

In August 2017, the Township secured a loan from Kansas State Bank in the amount of \$425,000 for the construction of a concession stand in its newly establish Sports Complex Park. Terms of this loan require semi annual payments over ten years at a 3.4% APR. The proceeds of loan will be shown as draws are made related to the project's construction.

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (Continued)

The following is a summary of the Township’s future annual debt service requirements:

OPWC Loans:				
Year	Palmetto Street	Inah Avenue	South Greener Road (Phase I)	South Greener Road (Phase II)
2019	15,978	25,318	16,638	6,464
2020	15,978	25,318	16,638	6,464
2021	15,978	25,318	16,638	6,464
2022	15,978	25,318	16,638	6,464
2023	15,978	25,318	16,638	6,464
2024-2028	47,931	126,590	83,190	32,320
2029-2033	-	35,317	24,952	19,391
	<u>127,821</u>	<u>288,497</u>	<u>191,332</u>	<u>84,031</u>

Year	South Greener Road (Phase III)	Beacon Hill	Woodlawn Avenue
2019	10,384	14,266	18,543
2020	10,384	14,266	18,543
2021	10,384	14,266	18,543
2022	10,384	14,266	18,543
2023	10,384	14,266	18,543
2024-2028	51,920	71,330	92,714
2029-2033	41,534	71,330	92,714
2034-2038	-	14,262	18,542
	<u>145,374</u>	<u>228,252</u>	<u>296,685</u>

2016 General Obligation Bonds		
Year	Principal	Interest
2019	10,000	334,975
2020	15,000	334,825
2021	15,000	334,675
2022	15,000	334,450
2023	295,000	334,225
2024-2028	1,875,000	1,472,400
2029-2033	2,590,000	1,039,600
2034-2038	3,590,000	449,800
Total	<u>\$8,405,000</u>	<u>\$4,634,950</u>

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt (Continued)

<u>Kansas State Bank Loan:</u>			
	Principal	Interest	Total
2019	37,593	12,897	50,490
2020	38,882	11,608	50,490
2021	40,216	10,275	50,491
2022	41,594	8,896	50,490
2023	43,021	7,470	50,491
2024-2027	187,347	14,615	201,962
Total:	<u>388,653</u>	<u>65,761</u>	<u>454,414</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2018, were an overall debt margin of \$31,376,759 and an unvoted debt margin of \$17,347,212.

Note 10 – Leases

In August 2016 the Township entered into a lease agreement for a buck truck, trailer and arrow board with a finance amount of \$109,188. During August 2016 the Township also entered into another lease agreement for a backhoe/loader with a financed amount of \$29,295. During July 2017 the Township entered into a lease agreement for a chipper machine with a financed amount of \$16,458. During January 2018, the Township enter into a lease agreement for a 2019 Freightliner 1085S Dump Truck with a financed amount of \$60,131.

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$56,520 to pay lease costs for the year ended December 31, 2018. Future lease payments are as follows:

<u>Year</u>	<u>Dump Truck</u>	<u>Bucket Truck</u>	<u>Chipper</u>	<u>Total</u>
2019	\$ 31,548	\$ 38,982	\$ 5,877	\$ 76,407
2020	31,548	-	5,877	37,425
Total	<u>\$ 63,096</u>	<u>\$ 38,982</u>	<u>\$ 11,754</u>	<u>\$ 113,832</u>

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds as of December 31, 2018 are presented below:

Fund Balances	General	Fire Fund	JEDZ Fund	Community Recreation Center Fund	Other Governmental Funds	Total
Nonspendable						
Cemetery Endowment	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
<i>Total Nonspendable</i>	-	-	-	-	2,000	2,000
Restricted for						
Cemetery	-	-	-	-	93,508	93,508
Economic Development	-	-	364,167	-	86,000	450,167
Emergency Medical Services	-	-	-	-	595,458	595,458
Fire Operations	-	1,127,937	-	-	538,873	1,666,810
Road and Bridge	-	-	-	-	95,869	95,869
West Broad Streetscapte	-	-	-	-	18,405	18,405
Street Light Assessments	-	-	-	-	326,906	326,906
<i>Total Restricted</i>	-	1,127,937	364,167	-	1,755,019	3,247,123
Committed to						
Road and Bridge	-	-	-	-	279,800	279,800
<i>Total Committed</i>	-	-	-	-	279,800	279,800
Assigned to						
Park Improvements	-	-	-	-	104,310	104,310
Recreation Activities	-	-	-	159,865	-	159,865
<i>Total Assigned</i>	-	-	-	159,865	104,310	264,175
Unassigned (Deficit)	5,270,950	-	-	-	-	5,270,950
<i>Total Fund Balances</i>	<u>\$ 5,270,950</u>	<u>\$ 1,127,937</u>	<u>\$ 364,167</u>	<u>\$ 159,865</u>	<u>\$ 2,141,129</u>	<u>\$ 9,064,048</u>

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 12 – Interfund Transfers

During 2018, the General Fund transferred \$784,484 to the various non-major funds, respectively, to provide additional resources. The JEDZ Fund Transferred \$386,724 to the Community Recreation Center Fund to provide additional support for community activities. The JEDD Fund transferred \$50,000 to the Community Recreation Center Fund to provide additional support for community activities. The Emergency Medical Services Fund Transferred \$97,000 to the Emergency Medical Services Capital Fund to support capital outlay expenditures.

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Contingent Liabilities

As of December 31, 2018, Prairie Township is not a defendant in any lawsuits.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 14 – Joint Ventures

The Township is a member of Joint Economic Development District (JEDD) with the City of Columbus. The City of Columbus provides the city services to business within the District and subsequently is permitted to collect income tax on those employees of the business district. At the same time, the JEDD prevents the annexation of Township property by the City and maintains the Township's property tax base. In the event of termination of the contract, all party revenue is split equally, while the Project Revenue is distributed to the Township for purposes which benefit the District as determined by the Township Trustees.

The Township is a member of Prairie-Obetz Joint Economic Development Zone (JEDZ) with the Village of Obetz. The Township residents approved the creation of the JEDZ by a majority vote on November 8, 2011. The Township will provide the JEDZ all usual and customary governmental services furnished by the Township. The Village will engage in activities to promote, complement and benefit economic development in the JEDZ as well as collecting income tax levied at the rate of the income tax currently and hereafter levied by the Village. The proceeds of that tax are allocated in accordance to the contract, mainly to the Township. In the event of termination of the JEDZ, the distribution of assets are split 20% to the Village and 80% to the Township.

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Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

This discussion and analysis of Prairie Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2017 and 2016 within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2017 and 2016 are as follows:

- For fiscal year 2017 net position of governmental activities increased \$493,065 or 5.4%. For fiscal year 2016 net position of governmental activities decreased \$345,092 or 3.8%.
- For fiscal year 2017, general cash receipts, including contributions to permanent fund, accounted for \$5,689,780 or 46.8% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$6,554,991 or 53.2% of total governmental activities cash receipts. For fiscal year 2016, general cash receipts, including contributions to permanent fund, accounted for \$15,233,836 or 72.0% of total governmental activities. Cash receipts and program specific cash receipts accounted for \$5,935,078 or 28.0% of total governmental activities cash receipts.
- For fiscal year 2017, the Township had \$11,751,166 in cash disbursements related to governmental activities: \$6,554,991 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes) of \$5,689,780 were adequate to provide for these programs. For fiscal year 2016, the Township had \$21,514,006 in cash disbursements related to governmental activities: \$5,935,078 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily grant entitlements and taxes and bond sales) of \$15,233,836 were not adequate to provide for these programs.
- The Township's major funds are the General, Fire, and Joint Economic Development Zone funds for 2017 and General, Fire, Joint Economic Development Zone, the Community Recreation Center Bond Fund and the Community Recreation Center fund for 2016. The General fund, the Township's largest major fund, had cash receipts and other financing sources of \$3,878,113 and \$2,862,829 in 2017 and 2016, respectively. The General Fund had cash disbursements and other financing uses of \$3,621,952 and \$2,940,260 for 2017 and 2016, respectively. The General fund's cash balance increased \$256,161 from 2016 to 2017 and decreased \$77,431 from 2015 to 2016.
- The Fire fund, a major Township fund, had cash receipts and other financing sources of \$4,464,917 and \$4,292,235 in 2017 and 2016, respectively. The Fire fund had cash disbursements of \$4,793,007 and \$4,336,790 in 2017 and 2016, respectively. The Fire fund's cash balance decreased \$328,090 from 2016 to 2017 and decreased \$44,555 from 2015 to 2016.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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- The JEDZ fund, a major Township fund, had cash receipts and other financing sources of \$1,644,701 and \$1,647,828 in 2017 and 2016, respectively. The JEDZ fund had cash disbursements and other financing uses of \$1,638,333 and \$1,592,230 in 2017 and 2016, respectively.

Using the Cash Basis Financial Statements

This cash basis annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

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

The statement of net position and the statement of activities provide information about the cash activities of the Township as a whole. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The Statement of Net Position and the Statement of Activities reflect how the Township did financially during 2017 and 2016, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental activities of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the Statement of Net Position and the Statement of Activities:

Governmental Activities - Most of the Township's basic services are reported here, including fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Fire, and the Joint Economic Development Zone fund in 2017 and the General, Fire, Joint Economic Development Zone, and Community Recreation Center Bond fund, and the Community Recreation Center fund in 2016. Since the Township is reporting on the cash basis of accounting, there are no differences in net position and fund cash balances, and changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Notes to the Financial Statements

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2017 compared to 2016 on a cash basis:

Net Cash Position		
Table 1		
	Governmental Activities	
	2017	2016
Assets		
Cash and Cash Equivalents	\$ 9,252,978	\$ 8,781,437
Cash and Cash Equivalents with Fiscal Escrow Agents	22,064	-
Total Assets	9,275,042	8,781,437
Net Position		
Restricted for:		
Capital Projects	318,573	123,767
Debt Service	-	3,566
Permanent Fund Purpose		
Expendable	55	53
Nonexpendable	2,000	2,000
Other Purposes	3,706,487	3,671,936
Unrestricted	5,247,927	4,980,115
Total Net Position	\$ 9,275,042	\$ 8,781,437

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2 reflects the changes in net position on a cash basis in 2017 and 2016 for governmental activities.

Changes in Net Position		
Table 2		
	Governmental Activities	
	2017	2016
Receipts:		
Programs Receipts:		
Charges for Services and Sales	\$ 2,352,239	\$ 2,300,868
Operating Grants and Contributions	3,533,602	3,564,369
Capital Grants and Contributions	669,150	69,841
Total Program Receipts	6,554,991	5,935,078
General Receipts:		
Property and Other Local Taxes	4,316,462	4,157,994
Grants and Entitlements Not Restricted for Specific Programs	1,024,421	1,029,131
Sale of Bonds	3,000	8,430,000
Bond Premium	-	1,333,616
Sale of Capital Assets	4,195	18,872
Cable Franchise Fees	175,716	182,570
Earnings on Investments	65,137	54,129
Miscellaneous	100,849	27,524
Total General Receipts	5,689,780	15,233,836
Total Receipts	12,244,771	21,168,914
Disbursements:		
General Government	1,194,024	1,158,420
Public Safety	5,126,697	5,081,863
Public Works	1,219,351	1,186,661
Health	192,063	200,203
Conservation-Recreation	1,683,279	1,602,535
Other	729,863	619,565
Capital Outlay	868,084	1,176,109
Principal Retirement	363,070	9,668,668
Interest and Fiscal Charges	374,735	655,459
Cost of Bond Issuance	-	164,523
Total Disbursements	11,751,166	21,514,006
Increase (Decrease) in Net Position	493,605	(345,092)
Net Position at the beginning of the year	8,781,437	9,126,529
Net Position at the end of the year	\$ 9,275,042	\$ 8,781,437

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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Program receipts represent only 53.2 percent and 28.0 percent, for 2017 and 2016, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

General receipts represent 46.8 percent and 72.0 percent in 2017 and 2016 respectively, of the Township's total receipts, and of this amount, roughly 74.8 percent and 27.3 percent in 2017 and 2016, respectively, are local taxes. The reason for the significant change in percentage in 2016 is due to the Township issuing \$8.4 million in bonds which inflated general receipts for 2016. Bond proceeds in 2016 accounted for roughly 55.3% of general receipts. State and federal grants and entitlements make up the balance of the Township's general receipts (17.8 and 6.8 percent in 2017 and 2016, respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of council, and the auditor, treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. For 2017, the major program disbursements for governmental activities are for public safety and conservation-recreation, which account for 43.3 percent and 14.2 percent of all governmental disbursements, respectively. For 2016, the major program disbursements for governmental activities are for public safety principal retirement, which account for 23.6 percent and 44.9 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 10.1 percent and 5.4 for 2017 and 2016 respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities				
Table 3				
	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
General Government	\$ 1,194,024	\$ (1,245,242)	\$ 1,158,420	\$ (721,747)
Public Safety	5,126,697	2,600,449	5,081,863	2,494,525
Public Works	1,219,351	911,575	1,186,661	896,208
Health	192,063	30,335	200,203	56,475
Conservation-Recreation	1,683,279	664,521	1,602,535	638,984
Other	729,863	628,648	619,565	549,724
Capital Outlay	868,084	868,084	1,176,109	1,176,109
Principal Retirement	363,070	363,070	9,818,668	9,668,668
Interest and Fiscal Charges	374,735	374,735	505,459	655,459
Cost of Bond Issuance	-	-	164,523	164,523
Total Expenses	<u>\$ 11,751,166</u>	<u>\$ 5,196,175</u>	<u>\$ 21,514,006</u>	<u>\$ 15,578,928</u>

The dependence upon property tax receipts is apparent as over 36.4 percent of governmental activities in 2017 and 19.3 percent in 2016 are supported through these general receipts.

The Township's Funds

In 2017, the total governmental funds had receipts (excluding other financing sources) of \$12,237,575 and disbursements of \$11,851,166. In 2016, the total governmental funds had receipts (excluding other financing sources) of \$11,386,425 and disbursements of \$21,349,483. The greatest change within governmental funds from 2016 to 2017 occurred within the Fire Levy Fund. The fund balance of the Fire Levy Fund decreased \$328,090, primarily due to disbursements exceeding receipts. The greatest change with governmental funds from 2015 to 2016 occurred within the General Fund. The fund balance of the General Fund decreased \$77,431, primarily due to transfers out to other funds.

General Fund Budgeting Highlights

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

In 2017, for the General fund, actual receipts of \$3,878,113 were \$1,190,962 more than the final budgeted receipts. In 2016, for the General fund, actual receipts of \$2,810,847 were \$199,546 higher than the final budgeted receipts. For 2017, General Fund final disbursements were budgeted at \$2,806,008 while actual disbursements were \$3,632,301. For 2016, final disbursements were budgeted at \$2,281,080 while actual disbursements were \$2,169,785.

Prairie Township
Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township does not currently record its capital assets in the accompanying financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$868,084 and \$1,176,109 for 2017 and 2016, respectively.

Debt

At December 31, 2017, the Township's outstanding debt with Ohio Public Works Commission at 0% interest in the amount of \$1,405,487, is for the purpose of street repairs. At December 31, 2016, the Township's outstanding debt with Ohio Public Works Commission at 0% interest in the amount of \$1,513,078, is for the purpose of street repairs. At December 31, 2017, the Township's outstanding balance on the Community Recreation Center Bonds, Series 2016 was \$8,415,000. These bonds were issued to refinance the Community Recreation Center Bonds, Series 2013 at a reduced interest rate. At December 31, 2016, the Township's outstanding balance on the Community Recreation Center Bonds, Series 2013 was \$8,430,000. These bonds were issued for the purpose of funding the construction of a community recreation center. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

Changes in State law and funding policies will threaten to create significant revenue shortfalls in the township budget. The continuing reduction of Local Government Revenue and Local Government Revenue Assistance Funds will cause additional budget cuts by the Township. Combinations of additional spending and service cuts, new revenue sources and shared service programs with neighboring jurisdictions must be identified in order for the township to maintain its financial health.

These economic factors were considered in preparing the Township's budget for fiscal year 2018. 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 reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dan McCardle, Fiscal Officer, 23 Maple Drive, Columbus, Ohio 43228.

Prairie Township
Franklin County, Ohio
Statement of Net Position - Cash Basis
December 31, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 9,252,978
Cash and Cash Equivalents with Fiscal/Escrow Agents	22,064
<i>Total Assets</i>	\$ 9,275,042
 Net Position	
Restricted for:	
Capital Projects	\$ 318,573
Permanent Fund Purpose:	
Expendable	55
Nonexpendable	2,000
Other Purposes	3,706,487
Unrestricted	5,247,927
<i>Total Net Position</i>	\$ 9,275,042

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
General Government	\$ 1,194,024	\$ 147,681	\$ 1,731,262	\$ 560,323	\$ 1,245,242
Public Safety	5,126,697	880,636	1,645,612	-	(2,600,449)
Public Works	1,219,351	133,394	156,728	17,654	(911,575)
Health	192,063	161,728	-	-	(30,335)
Conservation-Recreation	1,683,279	1,018,758	-	-	(664,521)
Other	729,863	10,042	-	91,173	(628,648)
Capital Outlay	868,084	-	-	-	(868,084)
Debt Service:					
Principal Retirement	363,070	-	-	-	(363,070)
Interest and Fiscal Charges	374,735	-	-	-	(374,735)
Cost of Bond Insurance	-	-	-	-	-
Total	<u>11,751,166</u>	<u>2,352,239</u>	<u>3,533,602</u>	<u>669,150</u>	<u>(5,196,175)</u>
General Receipts:					
Property Taxes and Other Local Taxes:					
					4,235,166
					81,296
					1,024,421
					3,000
					4,195
					175,716
					65,137
					<u>100,849</u>
					<u>5,689,780</u>
					493,605
					<u>8,781,437</u>
					<u>\$ 9,275,042</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	General	Fire Fund	JEDZ Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 5,132,247	\$ 1,409,352	\$ 328,401	\$ 2,382,978	\$ 9,252,978
Cash and Cash Equivalents with Fiscal/Escrow Agents	-	-	-	22,064	22,064
<i>Total Assets</i>	<u>\$ 5,132,247</u>	<u>\$ 1,409,352</u>	<u>\$ 328,401</u>	<u>\$ 2,405,042</u>	<u>\$ 9,275,042</u>
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
Restricted	-	1,409,352	328,401	1,777,934	3,515,687
Committed	-	-	-	204,884	204,884
Assigned	-	-	-	420,224	420,224
Unassigned (Deficit)	5,132,247	-	-	-	5,132,247
<i>Total Fund Balances</i>	<u>\$ 5,132,247</u>	<u>\$ 1,409,352</u>	<u>\$ 328,401</u>	<u>\$ 2,405,042</u>	<u>\$ 9,275,042</u>

See accompanying notes to the basic financial statements

Prairie Township
 Franklin County, Ohio
 Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2017

	General	Fire Fund	JEDZ Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 226,231	\$ 3,848,888	\$ -	\$ 374,737	\$ 4,449,856
Charges for Services	-	-	-	635,085	635,085
Licenses, Permits and Fees	286,438	17,772	-	1,066,205	1,370,415
Fines and Forfeitures	27,475	-	-	-	27,475
Intergovernmental	2,172,523	548,610	1,644,701	861,339	5,227,173
Special Assessments	27,287	-	-	220,018	247,305
Earnings on Investments	63,856	-	-	1,281	65,137
Miscellaneous	24,322	48,909	-	141,899	215,130
<i>Total Receipts</i>	<u>2,828,132</u>	<u>4,464,179</u>	<u>1,644,701</u>	<u>3,300,564</u>	<u>12,237,576</u>
Disbursements					
Current:					
General Government	1,194,024	-	-	-	1,194,024
Public Safety	139,333	4,372,224	-	615,140	5,126,697
Public Works	200,805	-	-	1,018,546	1,219,351
Health	75,000	-	-	117,063	192,063
Conservation-Recreation	165,430	-	-	1,517,849	1,683,279
Other	-	-	719,218	10,645	729,863
Capital Outlay	-	8,993	-	859,091	868,084
Debt Service:					
Principal Retirement	-	-	180,000	183,070	363,070
Interest and Fiscal Charges	-	-	363,828	10,907	374,735
<i>Total Disbursements</i>	<u>1,774,592</u>	<u>4,381,217</u>	<u>1,263,046</u>	<u>4,332,311</u>	<u>11,751,166</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,053,540</u>	<u>82,962</u>	<u>381,655</u>	<u>(1,031,747)</u>	<u>486,410</u>
Other Financing Sources (Uses)					
Sale of Bonds	-	-	-	3,000	3,000
Sale of Capital Assets	-	738	-	3,457	4,195
Transfers In	-	-	-	1,733,962	1,733,962
Transfers Out	(783,045)	(411,790)	(375,287)	(163,840)	(1,733,962)
Advances In	1,049,981	-	-	1,064,315	2,114,296
Advances Out	(1,064,315)	-	-	(1,049,981)	(2,114,296)
<i>Total Other Financing Sources (Uses)</i>	<u>(797,379)</u>	<u>(411,052)</u>	<u>(375,287)</u>	<u>1,590,913</u>	<u>7,195</u>
<i>Net Change in Fund Balances</i>	256,161	(328,090)	6,368	559,166	493,605
<i>Fund Balances Beginning of Year</i>	<u>4,876,086</u>	<u>1,737,442</u>	<u>322,033</u>	<u>1,845,876</u>	<u>8,781,437</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,132,247</u>	<u>\$ 1,409,352</u>	<u>\$ 328,401</u>	<u>\$ 2,405,042</u>	<u>\$ 9,275,042</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 211,000	\$ 211,000	\$ 226,231	\$ 15,231
Licenses, Permits and Fees	314,500	314,500	286,438	(28,062)
Fines and Forfeitures	45,000	45,000	27,475	(17,525)
Intergovernmental	2,041,651	2,041,651	2,172,523	130,872
Special Assessments	25,000	25,000	27,287	2,287
Earnings on Investments	50,000	50,000	63,856	13,856
Miscellaneous	-	-	24,322	24,322
<i>Total Receipts</i>	<u>2,687,151</u>	<u>2,687,151</u>	<u>2,828,132</u>	<u>140,981</u>
Disbursements				
Current:				
General Government	1,353,764	1,353,764	1,194,024	159,740
Public Safety	210,000	210,000	139,333	70,667
Public Works	217,439	217,439	200,805	16,634
Health	75,000	75,000	75,000	-
Conservation-Recreation	166,260	166,260	165,430	830
<i>Total Disbursements</i>	<u>2,022,463</u>	<u>2,022,463</u>	<u>1,774,592</u>	<u>247,871</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>664,688</u>	<u>664,688</u>	<u>1,053,540</u>	<u>388,852</u>
Other Financing Sources (Uses)				
Transfers Out	(783,545)	(783,545)	(783,045)	500
Advances In	-	-	1,049,981	1,049,981
Advances Out	-	-	(1,064,315)	(1,064,315)
<i>Total Other Financing Sources (Uses)</i>	<u>(783,545)</u>	<u>(783,545)</u>	<u>(797,379)</u>	<u>(13,834)</u>
<i>Net Change in Fund Balance</i>	(118,857)	(118,857)	256,161	375,018
<i>Unencumbered Fund Balance Beginning of Year</i>	4,853,625	4,853,625	4,853,625	-
Prior Year Encumbrances Appropriated	22,461	22,461	22,461	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 4,757,229</u>	<u>\$ 4,757,229</u>	<u>\$ 5,132,247</u>	<u>\$ 375,018</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 3,725,000	\$ 3,725,000	\$ 3,848,888	\$ 123,888
Licenses, Permits and Fees	17,000	17,000	17,772	772
Intergovernmental	560,000	560,000	548,610	(11,390)
Miscellaneous	-	-	48,909	48,909
<i>Total Receipts</i>	<u>4,302,000</u>	<u>4,302,000</u>	<u>4,464,179</u>	<u>162,179</u>
Disbursements				
Current:				
Public Safety	4,865,690	4,965,690	4,372,224	593,466
Capital Outlay	20,000	20,000	8,993	11,007
<i>Total Disbursements</i>	<u>4,885,690</u>	<u>4,985,690</u>	<u>4,381,217</u>	<u>604,473</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(583,690)</u>	<u>(683,690)</u>	<u>82,962</u>	<u>766,652</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	738	738
Transfers Out	(411,790)	(411,790)	(411,790)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(411,790)</u>	<u>(411,790)</u>	<u>(411,052)</u>	<u>738</u>
<i>Net Change in Fund Balance</i>	(995,480)	(1,095,480)	(328,090)	767,390
<i>Unencumbered Fund Balance Beginning of Year</i>	1,720,302	1,720,302	1,720,302	-
Prior Year Encumbrances Appropriated	17,140	17,140	17,140	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 741,962</u>	<u>\$ 641,962</u>	<u>\$ 1,409,352</u>	<u>\$ 767,390</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
JEDZ Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 1,670,749	\$ 1,670,749	\$ 1,644,701	\$ (26,048)
<i>Total Receipts</i>	<u>1,670,749</u>	<u>1,670,749</u>	<u>1,644,701</u>	<u>(26,048)</u>
Disbursements				
Current:				
Other	777,150	772,984	719,218	53,766
Debt Service:				
Principal Retirement	-	180,000	180,000	-
Interest and Fiscal Charges	546,828	370,994	363,828	7,166
<i>Total Disbursements</i>	<u>1,323,978</u>	<u>1,323,978</u>	<u>1,263,046</u>	<u>60,932</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>346,771</u>	<u>346,771</u>	<u>381,655</u>	<u>34,884</u>
Other Financing Sources (Uses)				
Transfers Out	(440,287)	(440,287)	(375,287)	65,000
<i>Total Other Financing Sources (Uses)</i>	<u>(440,287)</u>	<u>(440,287)</u>	<u>(375,287)</u>	<u>65,000</u>
<i>Net Change in Fund Balance</i>	(93,516)	(93,516)	6,368	99,884
<i>Unencumbered Fund Balance Beginning of Year</i>	322,033	322,033	322,033	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 228,517</u>	<u>\$ 228,517</u>	<u>\$ 328,401</u>	<u>\$ 99,884</u>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
December 31, 2017

	Agency
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,544
<i>Total Assets</i>	<i>\$ 5,544</i>
Net Position	
Held For:	
On Behalf of Refundable Security Deposits	\$ 1,944
On Behalf of Security Deposits	3,600
<i>Total Net Position</i>	<i>\$ 5,544</i>

See accompanying notes to the basic financial statements

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

Prairie Township, Franklin County, Ohio (the Township), is a body politic and corporate established in 1819 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer. The Township is also limited home rule form of government since 2002.

The reporting entity is comprised of the primary government.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, and cemetery maintenance. Police protection is provided by the Franklin County Sheriff's Department.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township participates in two joint ventures and the Ohio Township Association Risk Management Authority public entity risk pool. Notes 6 and 14 to the financial statements provides additional information for these entities. These organizations are:

Joint Venture:

Prairie Township-City of Columbus Joint Economic Development District is a contract created on November 15, 2010 under Ohio Revised Code 715.72 through 718.81 (the "JEDD Statutes") to facilitate economic development, to create jobs and employment opportunities and to improve the economic welfare of the people of the Township, the City, the County of Franklin, and the State of Ohio.

Prairie-Obetz Joint Economic Development Zone (JEDZ) is a contract created on August 1, 2011 under Ohio Revised Code 715.691 to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the Village, the Township and the State, and their residents.

Public Entity Risk Pool:

The Ohio Township Association Risk Management Authority (OTARMA) is a risk-sharing pool available to Ohio townships which provides property and casualty coverage for its members.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, 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 and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which the 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. Fiduciary funds are reported by type.

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 two categories, governmental, and fiduciary.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Fire Fund, and Joint Economic Development Zone Fund (JEDZ) for fiscal year ended December 31, 2017.

General: The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fire Fund: The Fire Fund receives real estate and personal property taxes to provide for fire services.

Joint Economic Development Zone Fund (JEDZ) Fund: The JEDZ Fund accounts for receipts from income taxes received from the zone primarily on Broad Street within the Township as outlined in the JEDZ agreement which restricts the funds for commercial and economic development within the JEDZ.

Community Recreation Center Fund: The Community Recreation Center Fund accounts for and reports resources restricted for the community recreation center.

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

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 does not have pension trust funds, investment trust funds, or private purpose trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for developer bonds and permits.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Township are described in the appropriate section in this note.

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 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 fund, department, and object level for all funds.

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

The appropriations 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.

Cash and Investments

Township records identify the purchase of specific investments by specific funds.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

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, respectively.

During 2017, the Township invested in nonnegotiable certificates of deposit, Federal National Mortgage Association Notes, a money market mutual fund, and STAR Ohio. The nonnegotiable certificates of deposit and the Federal National Mortgage Association Notes are reported at cost. The Township's money market mutual fund investment is recorded at the amount reported by 5/3rd Securities on December 31, 2017.

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 also implemented GSAB Statement No. 79 for 2017. The implementation of this GASB pronouncement had no effect on beginning net position/fund balance. The Township measures their investments in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2017 was \$63,856. Interest receipts credited to the other Township funds during 2017 was \$1,281.

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Township did not have any restricted assets at December 31, 2017.

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.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

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 expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for grants. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

Interfund Transactions

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 sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Fire and JEDZ Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at 2017 (budgetary basis) amounted to \$10,349 for the general fund, \$2,300 for the Fire Fund, and \$0 for the JEDZ Fund.

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments (Continued)

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio).

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Township had \$100 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

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

	Fair Value	Maturity
U.S. Treasury/Agency Securities	\$1,225,000	1-4 years
Certificates of Deposits	2,592,000	Less than 1 year
Money Market Mutual Fund	2,103,379	Less than 1 year
STAR Ohio	1,019	Less than 1 year
Total Portfolio	\$5,921,398	

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit Risk

The security underlying the federal national mortgage association notes carry a rating of Aaa by Moody’s and AA+ by Standard & Poor’s. STAR Ohio carries a rating of AAAm by Standard and Poor’s. The money market fund carries a rating of AAA by Moody’s and AAA by Standard and Poor’s. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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 investments or collateral securities that are in the possession of an outside party. The repurchase agreement, federal national mortgage association notes, federal home loan mortgage corporation notes, and the federal home loan bank notes are exposed to custodial credit risk as 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 requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Concentration of Credit Risk The Township places no limit on the amount it may invest in any one issuer.

The following investments represent five percent or more of total investments as of December 31, 2017:

Investment Issuer	Percentage of Investments
US Treasury/Agency Securities	21 %
Certificates of Deposits	44
Money Market Mutual Fund	35

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 5 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017 and 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2017, was \$76.18 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

	<u>2017</u>
Real Property & Public Personal Property	283,502,620
Public Utility Personal Property	<u>22,131,810</u>
	<u>305,634,430</u>

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

Note 6 – Risk Management

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

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

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

Casualty and Property Coverage

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 6 – Risk Management (Continued)

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

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

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

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township’s share of these unpaid claims collectible in future years is approximately \$25,000.

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

<u>2017 Contributions to OTARMA</u>
\$ 56,617

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police, 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. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Defined Benefit Pension Plan (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members nonin other Groups and members hired on or after January 7, 2013
State and Local Employees		
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Public Safety Employees		
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years
Law Enforcement Employees		
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

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

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

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Defined Benefit Pension Plan (Continued)

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

	State and Local <u>Employees</u>	Public Safety <u>Employees</u>	Law Enforcement <u>Employees</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.00%	18.10%	18.10%
Employee	10.00%	*	**
2017 Actual Contribution Rates			
Employer:			
Pension	12.00%	16.10%	16.10%
Post-employment Health Care Benefits	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Total Employer	<u>14.00%</u>	<u>18.10%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>12.00%</u>	<u>13.00%</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 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 was \$252,491 for year 2017.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - Village full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.opf.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 OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Defined Benefit Pension Plan (Continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent 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.

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2017 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
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 OPF was \$581,949 for 2017.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 8 - Postemployment Benefits (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2017, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$19,442 for the year 2017.

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 8 - Postemployment Benefits (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

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

The Township's contractually required contribution to OPF was \$581,949 for 2017.

Note 9 – Debt

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity	Fund for Repayment
OPWC Loan - Palmetto Street	0.0%	\$319,554	July 2026	Palmetto Road Project Fund
OPWC Loan - Inah Avenue	0.0%	506,359	July 2029	Inah Ave. Road Project Fund
OPWC Loan - South Greener (Phase I)	0.0%	332,751	July 2030	South Greener Phase I Fund
OPWC Loan - South Greener (Phase II)	0.0%	129,279	July 2031	South Greener Phase II Fund
OPWC Loan - South Greener (Phase III)	0.0%	207,677	July 2032	South Greener Phase III Fund
OPWC Loan - Woodland Avenue	0.0%	370,856	July 2034	Woodlawn Ave Impr. Fund
OPWC Loan - Beacon Hill Road	0.0%	285,315	July 2034	Beacon Hill Road Impr. Fund
GO-Community Center Bond, 2016 Series	4.00%	8,430,000	December 2038	JEDZ Funds
Sports Complex Concession Stand	3.40%	425,000	August 2027	General Fund

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

The Township’s long-term debt activity for the year ended December 31, 2017, was as follows:

	Amount Outstanding 12/31/16	Additions	Deletions	Amount Outstanding 12/31/17	Amounts Due in One Year
Governmental Activities:					
OPWC Loan - Palmetto Street	\$151,787	\$0	\$15,978	\$135,809	\$15,978
OPWC Loan - Inah Avenue	316,180	0	25,318	290,862	25,318
OPWC Loan - South Greener (Phase I)	216,286	0	16,638	199,648	16,638
OPWC Loan - South Greener (Phase II)	93,727	0	6,464	87,263	6,464
OPWC Loan - South Greener (Phase III)	160,949	0	10,384	150,565	10,384
OPWC Loan - Beacon Hill Road	249,650	0	14,266	235,384	14,266
OPWC Loan - Woodlawn Avenue	324,499	0	18,543	305,956	18,543
GO-Community Center Bonds, Series 2016	8,430,000	0	15,000	8,415,000	15,000
Total	\$9,943,078	\$0	\$122,591	\$9,820,487	\$122,591

The Township entered into loan agreements for \$319,554, \$506,359, \$332,751, \$129,279, \$207,677, \$370,856 and \$285,315 with the Ohio Public Works Commission in accordance with § 164.05 of the Ohio Revised Code and §164-1-21 of the Ohio Administrative Code. These agreements were to help finance the street improvement project on Palmetto Road, Inah Avenue, South Greener Road Improvement (Phase I, II and III), Woodlawn Avenue and Beacon Hill Road. The Township will pay Ohio Public Works Commission semi-annual payments for 20 years.

In August 2013, the Township issued \$9,740,000 in General Obligation Community Recreation Center Bonds for the purpose of using the proceeds to construct a community recreation center. These bonds were issued at a premium of \$253,222.

In October 2016, the Township issued \$8,430,000 in General Obligation Community Recreation Center Bonds to refinance the existing General Obligation Community Recreation Center Bonds for a reduced interest rate. These bonds were issued at a premium of \$1,333,617.

In August 2017, the Township secured a loan from Kansas State Bank in the amount of \$425,000 for the construction of a concession stand in its newly establish Sports Complex Park. Terms of this loan require semi annual payments over ten years at a 3.4% APR. The proceeds of loan will be shown as draws are made related to the projects construction.

The general obligation bonds are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

The following is a summary of the Township’s future annual debt service requirements:

OPWC Loans:				
Year	Palmetto Street	Inah Avenue	South Greener Road (Phase I)	South Greener Road (Phase II)
2018	15,978	25,318	16,638	6,464
2019	15,978	25,318	16,638	6,464
2020	15,978	25,318	16,638	6,464
2021	15,978	25,318	16,638	6,464
2022	15,978	25,318	16,638	6,464
2023-2027	55,919	126,295	83,188	32,320
2028-2032	-	37,977	33,270	22,623
	<u>135,809</u>	<u>290,862</u>	<u>199,648</u>	<u>87,263</u>

Year	South Greener Road (Phase III)	Beacon Hill	Woodlawn Avenue
2018	10,384	14,266	18,543
2019	10,384	14,266	18,543
2020	10,384	14,266	18,543
2021	10,384	14,266	18,543
2022	10,384	14,266	18,543
2023-2027	51,919	71,329	92,714
2028-2032	46,726	71,329	92,714
2033-2036	-	21,396	27,813
	<u>150,565</u>	<u>235,384</u>	<u>305,956</u>

2016 General Obligation Bonds		
Year	Principal	Interest
2018	10,000	334,975
2019	10,000	334,825
2020	15,000	334,675
2021	15,000	334,450
2022	15,000	334,225
2023-2027	1,735,000	1,541,800
2028-2032	2,445,000	1,137,400
2033-2037	3,355,000	584,000
2038	815,000	32,600
Total	<u>\$8,415,000</u>	<u>\$4,968,950</u>

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Debt (Continued)

<u>Kansas State Bank Loan:</u>			
	Principal	Interest	Total
2018	36,347	14,143	50,490
2019	37,593	12,897	50,490
2020	38,882	11,608	50,490
2021	40,216	10,274	50,490
2022	41,594	8,896	50,490
2023-2027	230,368	22,086	252,454
Total:	<u>425,000</u>	<u>79,904</u>	<u>504,904</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2017, were an overall debt margin of \$30,261,128 and an unvoted debt margin of \$16,809,894.

Note 10 – Leases

In April 2015, the Township entered into a lease for an excavator with a financed amount of \$50,506. In August 2016 the Township entered into a lease agreement for a buck truck, trailer and arrow board with a finance amount of \$109,188. During August 2016 the Township also entered into another lease agreement for a backhoe/loader with a financed amount of \$29,295. During July 2017 the Township entered into a lease agreement for a chipper machine with a financed amount of \$16,458.

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$79,821 to pay lease costs for the year ended December 31, 2017. Future lease payments are as follows:

Year	Bucket Truck	Backhoe	Chipper	Total
2018	\$ 38,357	\$ 15,219	\$ 5,877	\$ 59,453
2019	37,359	-	5,877	43,236
2020	-	-	5,876	5,876
Total	<u>\$ 75,716</u>	<u>\$ 15,219</u>	<u>\$ 17,630</u>	<u>\$ 108,565</u>

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds as of December 31, 2017 are presented below:

Fund Balances	General	Fire Fund	JEDZ Fund	Other Governmental Funds	Total
Nonspendable					
Cemetery Endowment	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
<i>Total Nonspendable</i>	-	-	-	2,000	2,000
Restricted for					
Cemetery	-	-	-	90,767	90,767
Economic Development	-	-	328,401	113,972	442,373
Emergency Medical Services	-	-	-	448,636	448,636
Fire Operations	-	1,409,352	-	743,992	2,153,344
Road and Bridge	-	-	-	85,439	85,439
Sidewalk Assessments	-	-	-	238	238
Street Light Assessments	-	-	-	294,890	294,890
<i>Total Restricted</i>	-	1,409,352	328,401	1,777,934	3,515,687
Committed to					
Road and Bridge	-	-	-	204,884	204,884
<i>Total Committed</i>	-	-	-	204,884	204,884
Assigned to					
Park Improvements	-	-	-	303,719	303,719
Recreation Activities	-	-	-	115,680	115,680
Road Maintenance	-	-	-	825	825
<i>Total Assigned</i>	-	-	-	420,224	420,224
Unassigned (Deficit)	5,132,247	-	-	-	5,132,247
<i>Total Fund Balances</i>	\$ 5,132,247	\$ 1,409,352	\$ 328,401	\$ 2,405,042	\$ 9,275,042

Prairie Township
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 – Interfund Transfers

During 2017, the General Fund transferred \$125,000 and \$658,045 to the Community Recreation Center Fund and various non-major funds, respectively, to provide additional resources. The Fire Levy Fund Transferred \$411,790 to the Fire Capital Fund to support capital outlay expenditures. The JEDZ fund transferred \$360,000 to the Community Recreation Center Fund to provide additional support for community activities. The JEDD Fund transferred \$75,000 to the Community Recreation Center Fund to provide additional support for community activities. The Emergency Medical Services Fund Transferred \$88,840 to the Emergency Medical Services Capital Fund to support capital outlay expenditures.

The above mentioned Transfers From were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Nonroutine transfers from the Major Special Revenue Fund and other nonmajor governmental funds were in compliance with Ohio Revised Code to either make debt payments or for designated projects.

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 14 – Joint Ventures

The Township is a member of Joint Economic Development District (JEDD) with the City of Columbus. The City of Columbus provides the city services to business within the District and subsequently is permitted to collect income tax on those employees of the business district. At the same time, the JEDD prevents the annexation of Township property by the City and maintains the Township's property tax base. In the event of termination of the contract, all party revenue is split equally, while the Project Revenue is distributed to the Township for purposes which benefit the District as determined by the Township Trustees.

The Township is a member of Prairie-Obetz Joint Economic Development Zone (JEDZ) with the Village of Obetz. The Township residents approved the creation of the JEDZ by a majority vote on November 8, 2011. The Township will provide the JEDZ all usual and customary governmental services furnished by the Township. The Village will engage in activities to promote, complement and benefit economic development in the JEDZ as well as collecting income tax levied at the rate of the income tax currently and hereafter levied by the Village. The proceeds of that tax are allocated in accordance to the contract, mainly to the Township. In the event of termination of the JEDZ, the distribution of assets are split 20% to the Village and 80% to the Township.



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

Prairie Township
Franklin County
23 Maple Drive
Columbus, Ohio 43228

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prairie Township, Franklin County, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 29, 2019, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
May 29, 2019

**Prairie Township
Franklin County
Schedule of Prior Audit Findings
December 31, 2018 and 2017**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2016-001	Significant Deficiency – Sound Financial Reporting	Yes	

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OHIO AUDITOR OF STATE KEITH FABER



PRAIRIE TOWNSHIP

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 22, 2019**