



Mary Taylor, CPA
Auditor of State

PLAIN TOWNSHIP
STARK COUNTY

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STARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Plain Township
Stark County
2600 Easton Street NE
Canton, Ohio 44721

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Stark County, Ohio, as of December 31, 2006 and 2005, and the respective changes in modified cash financial position and the respective budgetary comparison for the General Fund, Road and Bridge Fund, Police District Fund and Fire District Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 21, 2007

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

This discussion and analysis of the Plain Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's modified 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 2006 are as follows:

Net assets of governmental activities increased \$507,280, or 8.5 percent mainly due to note proceeds in the amount \$1,000,000 received from Key Bank for purchase of the Schneider Street property to be used as a park.

The Township's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively 62 and 20 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed very little compared to 2005 as development within the Township has stayed constant.

In January of 2006, the Administrator's position was vacated and the position was filled on May 3, 2006. On March 28, 2006 Plain Township changed health insurance coverage entering into an agreement with AultCare's 90 percent Purchasing Plan I Schedule of Benefits and requiring contributions from employees with the exception of firefighter/paramedics.

Key highlights for 2005 are as follows:

Net assets of governmental activities increased \$396,764 or 7.1 percent, which is not a significant change from the prior year.

The Township's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively 67 and 25 percent of the total cash received for governmental activities during the year. Property tax receipts for 2005 changed very little compared to 2004 as development within the Township has stayed constant.

Programs and services for 2005 have remained about the same for the Township with no real changes from 2004. The Township held an auction on June 25, 2005 for items no longer needed.

Using the Basic Financial Statements

This 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 modified cash basis of accounting.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Report Components

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

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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of modified cash basis accounting. The statement of net assets 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.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified 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 assets and the statement of activities, the Township consists of one type of activity:

Governmental activities. The Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are basically 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 three categories: governmental, proprietary 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 Fund, Road and Bridge, Police, Fire District, Capital Equipment Fire District Building and Capital Equipment Fire District Aerial Ladder. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no enterprise funds. When the services are provided to other department of the Township, the service is reported as an internal service fund. The Township has one internal service fund to account for employee health-care claims.

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 Township-wide financial statements because the resources of these funds are not available to support the Township's programs.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on a modified cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Cash Equivalents	\$6,495,872	\$5,988,592
Total Assets	<u>\$6,495,872</u>	<u>\$5,988,592</u>
Net Assets		
Restricted for:		
Debt Service	\$490,804	
Capital Projects	2,500,000	\$2,000,000
Other Purposes	2,083,465	2,055,531
Unrestricted	<u>1,421,603</u>	<u>1,933,061</u>
Total Net Assets	<u>\$6,495,872</u>	<u>\$5,988,592</u>

Year 2006 - As mentioned previously, net assets of governmental activities increased \$507,280 or 8.5 percent during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- The Township purchased 42 acres of land located on Schneider Street NW and financed part of the purchase with loan proceeds through the sale of Real Estate Acquisition Bonds in the amount of \$1,000,000.
- Anticipated growth in local tax receipts. Over the last year, new residential construction has resulted in an increase in assessed valuation averaging \$11 million for the year
- Estate Taxes received in the amount of \$537,000 that was not included in the original budget. This source of income is slowly being phased out with the change in Ohio laws regarding payment of estate tax.

Decreases in the cash balances were attributable to the following:

- Increases in salaries of approximately 3 percent based on current negotiated agreements. Members of the Utility Workers Union of America AFL-CIO Local 561 and the Township negotiated a three-year contract giving members a raise of 3 percent for each year with the total 9 percent payable in year one of the contract.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
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- The Township had several areas where storm water drainage created problems and invested \$125,736 towards repairs in addition to contributing towards widening of roads at a cost of \$259,538.

Year 2005 - As mentioned previously, net assets of governmental activities increased \$396,764 or 7.1 percent during 2005. The primary reasons contributing to the increases in cash balances are as follows:

- Anticipated growth in local tax receipts. Over the last year, new residential construction resulted in an increase in assessed valuation averaging \$18 million a year
- Estate Taxes received in the amount of \$836,503 that was not in the original budget.

Decreases in the cash balances were attributable to the following:

- Increases in salaries of approximately 3 percent based on current negotiated agreements.
- The Township had several areas where storm water drainage created problems and invested \$126,696 towards repairs in addition to contributing towards widening of roads at a cost of \$78,807.
- Health benefit costs grew substantially as several employees experienced significant health problems. 2004 claims were \$440,172 while 2005 claims totaled \$569,515.

Table 2 reflects the changes in net assets in 2006 and 2005. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of Township-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities	
	2006	2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$426,169	\$436,382
Operating Grants and Contributions	2,268,646	2,557,867
Total Program Receipts	2,694,815	2,994,249
General Receipts:		
Property and Other Local Taxes	6,996,379	6,848,087
Cable Franchise Fees	134,013	132,484
Notes Issued	1,000,000	
Interest	380,501	145,021
Miscellaneous	98,821	81,223
Total General Receipts	8,609,714	7,206,815
Total Receipts	11,304,529	10,201,064
Disbursements:		
General Government	1,095,273	1,066,444
Public Health Services	173,435	151,078
Public Works	2,452,310	2,420,964
Public Safety	4,779,833	4,844,316
Conservation/Recreation	221,693	192,955
Capital Outlay	2,076,659	1,118,085
Human Services		10,458
Total Disbursements	10,799,203	9,804,300
Total Receipts Over Disbursements	505,326	396,764
Transfers	1,954	
Increase in Net Assets	507,280	396,764
Net Assets, January 1	5,988,592	5,591,828
Net Assets, December 31	\$6,495,872	\$5,988,592

Program receipts represent only 23.8 percent of total receipts during 2006 and 29.4 percent of total receipts during 2005. Program receipts are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges for services.

General receipts represent 76.2 percent in 2006 and 70.6 percent in 2005 of the Township's total receipts, and of this amount, over 81 percent in 2006 and 95 percent in 2005 are local taxes. Notes issued, cable franchise fees, interest and miscellaneous make up the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Disbursements for General Township 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 Fiscal Officer's department, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 20 percent of General Fund unrestricted receipts.

Public Safety is the costs of police and fire protection; Public Health Services is the health department; Conservation and Recreation are the costs of maintaining the parks and playing fields; and Public Works is the cost of maintaining the roads.

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. The major program disbursements for governmental activities are for Public Works and Public Safety, which account for 23 and 44 percent of all governmental disbursements, respectively, for 2006. Capital outlay disbursements also represents a significant cost, about 19 percent. In 2005, Public Works, Public Safety and Capital Outlay account for 25, 49 and 11 percent of all governmental disbursements. The next two 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.

(Table 3)

Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General Government	\$1,095,273	\$52,899	\$1,066,444	\$332,168
Public Safety	4,779,833	(4,041,645)	4,844,316	(3,971,149)
Public Health Services	173,435	(173,435)	151,078	(151,078)
Conservation and Recreation	221,693	(44,253)	192,955	(39,780)
Human Services		0	10,458	(10,458)
Public Works	2,452,310	(1,821,295)	2,420,964	(1,851,669)
Capital Outlay	2,076,659	(2,076,659)	1,118,085	(1,118,085)
Total Expenses	\$10,799,203	(\$8,104,388)	\$9,804,300	(\$6,810,051)

The dependence upon general receipts (and property taxes in particular) is apparent as over 75 percent in 2006 and 69 percent in 2005 of governmental activities are supported through these general receipts.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Fees from programs at the Diamond Community Complex generate income to support this facility and its programs. The programs include rental of the building and fields for soccer and other sports activities. A community room within the building is provided to the community at no charge on a first come basis.

Through the Fire Department, Plain Township provides ambulance and emergency medical services to the residents of Plain Township at no charge. Fees are assessed to others who use these services. Billing is done through Ohio Billing, Inc. of Bolivar, Ohio with collection of unpaid invoices being submitted to Pellini & Associates, LTD of North Canton, Ohio.

The Township's Funds

For 2006:

Total governmental funds had receipts of \$10,282,544 and disbursements of \$10,846,315. The greatest changes within governmental funds occurred within the General and Fire District Funds. The fund balance of the Fire District Fund decreased as the result transferring \$500,000 to the Capital Projects Funds and of increased costs for salaries and benefits.

General Fund expenditures were greater than the receipts in 2006 due mainly to the purchase of 42 acres on Schneider Street to be developed as a Township park. Funds were borrowed from Key Bank in the way of Real Estate Acquisition Notes in a total amount of \$1,000,000 with semi-annual payments of \$100,000 plus interest at 4.65 percent for a period of 5 years. The General Fund also transferred \$16,037 into the Zoning Fund along with \$490,804 to the Schneider Bond Retirement Fund to cover four semi-annual payments.

For 2005:

Total governmental funds had receipts of \$10,201,045 and disbursements of \$9,801,053. The greatest change within governmental funds occurred within the Fire District Fund. The fund balance of the Fire District Fund decreased \$2,068,086 as the result transferring \$2,000,000 to the Capital Projects Funds and of increased costs for salaries and benefits.

General Fund receipts exceeded the disbursements by \$650,486 but this will not be the case in years to come as funding sources within the General Fund are being eliminated. Items that have normally been funded by the General Fund are being transferred to other departments for funding in their budgets.

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.

In 2005, Plain Township amended its budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Final General Fund disbursements in 2005 were budgeted at \$3,271,387 while actual disbursements were \$1,433,803. The most significant difference was in capital outlay where budgeted expenditures exceeded actual expenditures by \$1,421,365.

Plain Township
Stark County

Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

In 2006, Plain Township amended its budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Final General Fund disbursements in 2006 were budgeted at \$4,354,981 while actual disbursements were \$3,104,278. The most significant difference was in capital outlay where budgeted expenditures exceeded actual expenditures by \$847,719.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

On December 31, 2005, Plain Township, Stark County, Ohio did not have any outstanding debt.

On August 30, 2006 Plain Township issued Real Estate Acquisition Bonds, Series 2006 in the total amount of \$1,000,000 with an interest rate of 4.65 percent through Key Bank.

For further information regarding the Township's debt, refer to Note 10 of the financial statements.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. Plain Township actively invests its funds, applies for grants and searches for other types of revenue to support its programs.

Plain Township publishes a newsletter for its citizens on a quarterly basis highlighting programs available by the Township. It also provides safety and other informative information to its residents.

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 Claude W. Shriver II, Fiscal Officer, Plain Township, 2600 Easton Street NE, Canton, Ohio 44721.

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Plain Township
Stark County
Statement of Net Assets - Modified Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,495,872</u>
<i>Total Assets</i>	<u><u>\$6,495,872</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$2,500,000
Debt Service	490,804
Other Purposes	2,083,465
Unrestricted	<u>1,421,603</u>
<i>Total Net Assets</i>	<u><u>\$6,495,872</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
General Government	\$1,095,273	\$93,092	\$1,055,080	\$52,899
Public Safety	4,779,833	155,637	582,551	(4,041,645)
Public Works	2,452,310		631,015	(1,821,295)
Health	173,435			(173,435)
Conservation-Recreation	221,693	177,440		(44,253)
Capital Outlay	2,076,659			(2,076,659)
<i>Total Governmental Activities</i>	<u>\$10,799,203</u>	<u>\$426,169</u>	<u>\$2,268,646</u>	(8,104,388)
		General Receipts		
		Property Taxes Levied for		
		General Purposes		6,996,379
		Cable Franchise Fees		134,013
		Notes Issued		1,000,000
		Interest		380,501
		Miscellaneous		98,821
		<i>Total General Receipts</i>		8,609,714
		Transfers		1,954
		<i>Total General Receipts and Transfers</i>		8,611,668
		Change in Net Assets		507,280
		<i>Net Assets Beginning of Year</i>		5,988,592
		<i>Net Assets End of Year</i>		<u>\$6,495,872</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
 Statement of Fund Net Assets - Modified Cash Basis
 Governmental Funds
 December 31, 2006

	General	Road and Bridge Fund	Police District	Fire District	Capital Equipment Fire Building	Capital Equipment Aerial Ladder	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$1,360,036	\$291,192	\$162,050	\$705,853	\$1,250,000	\$1,000,000	\$1,665,172	\$6,434,303
Total Assets	<u>\$1,360,036</u>	<u>\$291,192</u>	<u>\$162,050</u>	<u>\$705,853</u>	<u>\$1,250,000</u>	<u>\$1,000,000</u>	<u>\$1,665,172</u>	<u>\$6,434,303</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	\$45,425	\$7,743	\$113,652	\$10,931			\$17,328	\$195,079
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	1,314,611							1,314,611
Special Revenue Funds		283,449	48,398	694,922			907,040	1,933,809
Debt Service Fund							490,804	490,804
Capital Projects Funds					\$1,250,000	\$1,000,000	250,000	2,500,000
Total Fund Balances	<u>\$1,360,036</u>	<u>\$291,192</u>	<u>\$162,050</u>	<u>\$705,853</u>	<u>\$1,250,000</u>	<u>\$1,000,000</u>	<u>\$1,665,172</u>	<u>\$6,434,303</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Reconciliation of Total Governmental
Fund Balances to Net Assets of Governmental Activities - Modified Cash Basis
December 31, 2006

Total Governmental Funds \$6,434,303

***Amounts reported for governmental activities in the
statement of net assets are different because***

Governmental activities' net assets include the internal service
fund's cash and cash equivalents. The proprietary fund's
statements include these assets.

61,569

Net Assets of Governmental Activities

\$6,495,872

See accompanying notes to the basic financial statements

**Plain Township
Stark County**
Statement of Cash Receipts,
Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Road and Bridge Fund	Police District	Fire District	Capital Equipment Fire Building	Capital Equipment Aerial Ladder	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$363,398	\$1,174,900	\$1,273,442	\$3,331,140			\$853,499	\$6,996,379
Charges for Services	19,502						154,352	173,854
Licenses, Permits and Fees				1,285			219,537	220,822
Fines and Forfeitures	31,492							31,492
Intergovernmental	1,055,081	151,008	159,141	420,910			482,508	2,268,648
Special Assessments	369,900						32,451	32,451
Interest	142,403	16,418	1	12,708			10,601	380,501
Other							6,867	178,397
Total Receipts	1,981,776	1,342,326	1,432,584	3,766,043	\$0	\$0	1,759,815	10,282,544
Disbursements								
Current:								
General Government	1,036,725						58,548	1,095,273
Public Safety	10,309		1,353,317	3,377,505			85,813	4,826,944
Public Works	49,128	1,272,664					1,130,519	2,452,311
Health	173,435							173,435
Conservation-Recreation	69,438						152,255	221,693
Capital Outlay	1,718,408	143,046	31,401	98,930			84,874	2,076,659
Total Disbursements	3,057,443	1,415,710	1,384,718	3,476,435	0	0	1,512,009	10,846,315
Excess of Receipts Overt (Under) Disbursements	(1,075,667)	(73,384)	47,866	289,608	0	0	247,806	(563,771)
Other Financing Sources (Uses)								
Notes Issued	1,000,000							1,000,000
Transfers In	1,954				250,000		756,841	1,008,795
Transfers Out	(506,841)			(500,000)				(1,006,841)
Other Financing Sources	21,987							21,987
Total Other Financing Sources (Uses)	517,100	0	0	(500,000)	250,000	0	756,841	1,023,941
Change in Fund Balances	(558,567)	(73,384)	47,866	(210,392)	250,000	0	1,004,647	460,170
Fund Balances Beginning of Year	1,918,603	364,576	114,184	916,245	1,000,000	1,000,000	660,525	5,974,133
Fund Balances End of Year	\$1,360,036	\$291,192	\$162,050	\$705,853	\$1,250,000	\$1,000,000	\$1,665,172	\$6,434,303

See accompanying notes to the basic financial statements

**Plain Township
Stark County**

*Reconciliation of the Statement of Cash Receipts,
Disbursements, and Changes in Cash Fund Balances
of Governmental Funds to the Statement of
Activities - Modified Cash Basis
For the Year Ended December 31, 2006*

Net Change in Fund Balances - Total Governmental Funds	\$460,170
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>47,110</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$507,280</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$320,490	\$363,398	\$363,398	\$0
Charges for Services		19,502	19,502	0
Fines and Forfeitures	25,000	31,492	31,492	0
Intergovernmental	511,055	1,055,080	1,055,080	0
Cable Franchise Fees	135,000	134,013	134,013	0
Interest	60,000	369,900	369,900	0
Other		8,390	8,390	0
<i>Total Receipts</i>	<u>1,051,545</u>	<u>1,981,775</u>	<u>1,981,775</u>	<u>0</u>
Disbursements				
Current:				
General Government	1,270,735	1,355,724	1,059,280	296,444
Public Safety	10,000	10,310	10,310	0
Public Works	110,815	114,815	53,368	61,447
Health	172,000	204,400	173,435	30,965
Conservation-Recreation	83,567	83,566	69,438	14,128
Capital Outlay	1,323,031	2,586,166	1,738,447	847,719
<i>Total Disbursements</i>	<u>2,970,148</u>	<u>4,354,981</u>	<u>3,104,278</u>	<u>1,250,703</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,918,603)</u>	<u>(2,373,206)</u>	<u>(1,122,503)</u>	<u>1,250,703</u>
Other Financing Sources (Uses)				
Notes Issued		1,000,000	1,000,000	0
Transfers In			1,954	1,954
Transfers Out		(506,841)	(506,841)	0
Other Financing Sources			21,987	21,987
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>493,159</u>	<u>517,100</u>	<u>23,941</u>
<i>Net Change in Fund Balance</i>	<u>(1,918,603)</u>	<u>(1,880,047)</u>	<u>(605,403)</u>	<u>1,274,644</u>
<i>Fund Balance Beginning of Year</i>	1,863,655	1,863,655	1,863,655	0
Prior Year Encumbrances Appropriated	54,948	54,948	54,948	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$38,556</u>	<u>\$1,313,200</u>	<u>\$1,274,644</u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,141,001	\$1,162,139	\$1,174,900	\$12,761
Intergovernmental	168,486	168,486	151,008	(17,478)
Other	10,000	11,502	16,418	4,916
<i>Total Receipts</i>	<u>1,319,487</u>	<u>1,342,127</u>	<u>1,342,326</u>	<u>199</u>
Disbursements				
Current:				
Public Works	1,416,529	1,486,590	1,280,407	206,183
Capital Outlay	231,613	220,113	143,046	77,067
<i>Total Disbursements</i>	<u>1,648,142</u>	<u>1,706,703</u>	<u>1,423,453</u>	<u>283,250</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(328,655)</u>	<u>(364,576)</u>	<u>(81,127)</u>	<u>283,449</u>
<i>Net Change in Fund Balance</i>	<u>(328,655)</u>	<u>(364,576)</u>	<u>(81,127)</u>	<u>283,449</u>
<i>Fund Balance Beginning of Year</i>	328,661	328,661	328,661	0
Prior Year Encumbrances Appropriated	35,922	35,922	35,922	0
<i>Fund Balance End of Year</i>	<u>\$35,928</u>	<u>\$7</u>	<u>\$283,456</u>	<u>\$283,449</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police District
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$1,251,028	\$1,263,664	\$1,273,442	\$9,778
Intergovernmental	168,920	168,920	159,141	(9,779)
Other			1	1
<i>Total Receipts</i>	<u>1,419,948</u>	<u>1,432,584</u>	<u>1,432,584</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	1,494,132	1,494,132	1,466,969	27,163
Capital Outlay	40,000	52,636	31,401	21,235
<i>Total Disbursements</i>	<u>1,534,132</u>	<u>1,546,768</u>	<u>1,498,370</u>	<u>48,398</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(114,184)</u>	<u>(114,184)</u>	<u>(65,786)</u>	<u>48,398</u>
<i>Net Change in Fund Balance</i>	(114,184)	(114,184)	(65,786)	48,398
<i>Fund Balance Beginning of Year</i>	106,513	106,513	106,513	0
Prior Year Encumbrances Appropriated	<u>7,671</u>	<u>7,671</u>	<u>7,671</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$48,398</u></u>	<u><u>\$48,398</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$3,265,162	\$3,311,498	\$3,331,139	\$19,641
Licenses, Permits and Fees		1,260	1,285	25
Intergovernmental	440,552	440,552	420,910	(19,642)
Other		12,468	12,708	240
<i>Total Receipts</i>	<u>3,705,714</u>	<u>3,765,778</u>	<u>3,766,042</u>	<u>264</u>
Disbursements				
Current:				
Public Safety	3,607,254	3,716,910	3,385,837	331,073
Capital Outlay	1,014,706	465,113	101,530	363,583
<i>Total Disbursements</i>	<u>4,621,960</u>	<u>4,182,023</u>	<u>3,487,367</u>	<u>694,656</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(916,246)</u>	<u>(416,245)</u>	<u>278,675</u>	<u>694,920</u>
Other Financing Sources (Uses)				
Transfers Out		(500,000)	(500,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(916,246)</u>	<u>(916,245)</u>	<u>(221,325)</u>	<u>694,920</u>
<i>Fund Balance Beginning of Year</i>	837,716	837,716	837,716	0
Prior Year Encumbrances Appropriated	78,530	78,530	78,530	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1</u>	<u>\$694,921</u>	<u>\$694,920</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fund Net Assets - Modified Cash Basis
Internal Service Fund
December 31, 2006

	<u>Governmental Activity Internal Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$61,569</u>
<i>Total Assets</i>	<u><u>\$61,569</u></u>
Net Assets	
Unrestricted	<u>\$61,569</u>
<i>Total Net Assets</i>	<u><u>\$61,569</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Modified Cash Basis
Internal Service Fund
For the Year Ended December 31, 2006

	Governmental Activities
	Internal Service
Operating Receipts	
Charges for Services	\$792,547
Other	290
	792,837
<i>Total Operating Receipts</i>	<i>792,837</i>
Operating Disbursements	
Claims and Administrative Fees	745,727
	745,727
<i>Operating Income</i>	<i>47,110</i>
<i>Net Assets Beginning of Year</i>	<i>14,459</i>
<i>Net Assets End of Year</i>	<i>\$61,569</i>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Fund
December 31, 2006

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$19,168</u>
<i>Total Assets</i>	<u><u>\$19,168</u></u>
Net Assets	
Unrestricted	<u><u>\$19,168</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Net Assets - Modified Cash Basis
December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,988,592</u>
<i>Total Assets</i>	<u><u>\$5,988,592</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$2,000,000
Other Purposes	2,055,531
Unrestricted	<u>1,933,061</u>
<i>Total Net Assets</i>	<u><u>\$5,988,592</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2005

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$1,066,444	\$44,854	\$1,353,758	\$332,168
Public Safety	4,844,316	238,353	634,814	(3,971,149)
Public Works	2,420,964		569,295	(1,851,669)
Health	151,078			(151,078)
Human Services	10,458			(10,458)
Conservation-Recreation	192,955	153,175		(39,780)
Capital Outlay	1,118,085			(1,118,085)
<i>Total Governmental Activities</i>	<u>\$9,804,300</u>	<u>\$436,382</u>	<u>\$2,557,867</u>	(6,810,051)
		General Receipts		
		Property Taxes Levied for		
		General Purposes		6,848,087
		Cable Franchise Fees		132,484
		Interest		145,021
		Miscellaneous		81,223
		<i>Total General Receipts</i>		<u>7,206,815</u>
		Change in Net Assets		396,764
		<i>Net Assets Beginning of Year</i>		<u>5,591,828</u>
		<i>Net Assets End of Year</i>		<u>\$5,988,592</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
 Statement of Fund Net Assets - Modified Cash Basis
 Governmental Funds
 December 31, 2005

	General	Road and Bridge Fund	Police District	Fire District	Capital Equipment Fire Building	Capital Equipment Fire Building	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$1,918,603	\$364,576	\$114,184	\$916,245	\$1,000,000	\$1,000,000	\$660,525	\$5,974,133
Total Assets	\$1,918,603	\$364,576	\$114,184	\$916,245	\$1,000,000	\$1,000,000	\$660,525	\$5,974,133
Fund Balances								
Reserved:								
Reserved for Encumbrances	\$54,948	\$35,922	\$7,671	\$78,530			\$19,291	\$196,362
General Fund	1,863,655							1,863,655
Special Revenue Funds		328,654	106,513	837,715			641,234	1,914,116
Capital Projects Funds					\$1,000,000	\$1,000,000		2,000,000
Total Fund Balances	\$1,918,603	\$364,576	\$114,184	\$916,245	\$1,000,000	\$1,000,000	\$660,525	\$5,974,133

See accompanying notes to the basic financial statements

Plain Township
Stark County
Reconciliation of Total Government
Fund Balances to Net Assets of Government Activities
Modified Cash Basis
December 31, 2005

Total Governmental Funds	\$5,974,133
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
 Governmental activities' net assets include the internal service fund's cash and cash equivalents. The proprietary fund's statements include these assets.	
	<u>14,459</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$5,988,592</u></u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**

*Statement of Cash Receipts,
Disbursements and Changes in Modified Cash Basis Fund Balances
(Governmental Funds)
For the Year Ended December 31, 2005*

	General	Road and Bridge Fund	Police District	Fire District	Capital Equipment Fire Building	Capital Equipment Aerial Ladder	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$335,070	\$1,146,992	\$1,254,751	\$3,274,773			\$836,501	\$6,848,087
Charges for Services	14,347						8,498	22,845
Licenses, Permits and Fees				1,975			197,927	199,902
Fines and Forfeitures	30,507							30,507
Intergovernmental	1,353,758	172,116	172,825	459,990			399,178	2,557,867
Special Assessments	142,232						29,953	29,953
Interest	153,409	45,135	9,431	5,234			2,789	145,021
Other							153,654	366,863
Total Receipts	2,029,323	1,364,243	1,437,007	3,741,972	\$0	\$0	1,628,500	10,201,045
Disbursements								
Current:								
General Government	995,464						70,979	1,066,443
Public Safety	9,930		1,464,237	3,262,223			104,680	4,841,070
Public Works	2,526	1,218,428					1,200,010	2,420,964
Health	150,978						100	151,078
Human Services	10,459							10,459
Conservation and Recreation		96,310	31,400	547,835			192,955	192,955
Capital Outlay	209,499						233,040	1,118,084
Total Disbursements	1,378,856	1,314,738	1,495,637	3,810,058	0	0	1,801,764	9,801,053
Excess of Receipts Over/(Under) Disbursements	650,467	49,505	(58,630)	(68,086)	0	0	(173,264)	399,992
Other Financing Sources (Uses)								
Transfers In								
Transfers Out						1,000,000	0	2,000,000
Other Financing Sources	19			(2,000,000)				(2,000,000)
Total Other Financing Sources (Uses)	19	0	0	(2,000,000)	1,000,000	1,000,000	0	19
Change in Fund Balances	650,486	49,505	(58,630)	(2,068,086)	1,000,000	1,000,000	(173,264)	400,011
Fund Balances Beginning of Year	1,268,117	315,071	172,814	2,984,331	0	0	833,789	5,574,122
Fund Balances End of Year	\$1,918,603	\$364,576	\$114,184	\$916,245	\$1,000,000	\$1,000,000	\$660,525	\$5,974,133

See accompanying notes to the basic financial statements

Plain Township
Stark County
*Reconciliation of the Statement of Cash Receipts,
Disbursements, and Changes in Cash Fund Balances
of Governmental Funds to the Statement of
Activities - Modified Cash Basis
For the Year Ended 12/31/2005*

Net Change in Fund Balances - Total Governmental Funds	\$400,011
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>(3,247)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$396,764</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$294,793	\$329,533	\$335,070	\$5,537
Charges for Services			14,347	14,347
Fines and Forfeitures	25,000	25,392	30,507	5,115
Intergovernmental	536,252	1,372,755	1,353,758	(18,997)
Cable Franchise Fees	125,000	132,484	132,484	0
Interest	50,000	136,190	142,232	6,042
Other		20,803	20,925	122
<i>Total Receipts</i>	<u>1,031,045</u>	<u>2,017,157</u>	<u>2,029,323</u>	<u>12,166</u>
Disbursements				
Current:				
General Government	1,322,277	1,427,495	1,034,439	393,056
Public Safety	5,000	10,529	9,930	599
Public Works	3,000	3,000	2,526	474
Health	167,000	167,000	150,978	16,022
Human Services	16,500	16,593	10,525	6,068
Capital Outlay	652,300	1,646,770	225,405	1,421,365
<i>Total Disbursements</i>	<u>2,166,077</u>	<u>3,271,387</u>	<u>1,433,803</u>	<u>1,837,584</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,135,032)</u>	<u>(1,254,230)</u>	<u>595,520</u>	<u>1,849,750</u>
Other Financing Sources				
Other Financing Sources			19	19
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>19</u>	<u>19</u>
<i>Net Change in Fund Balance</i>	<u>(1,135,032)</u>	<u>(1,254,230)</u>	<u>595,539</u>	<u>1,849,769</u>
<i>Fund Balance Beginning of Year</i>	1,148,918	1,148,918	1,148,918	0
Prior Year Encumbrances Appropriated	<u>119,198</u>	<u>119,198</u>	<u>119,198</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$133,084</u>	<u>\$13,886</u>	<u>\$1,863,655</u>	<u>\$1,849,769</u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,124,468	\$1,151,409	\$1,146,993	(\$4,416)
Intergovernmental	167,700	167,700	172,116	4,416
Other	10,000	45,134	45,134	0
<i>Total Receipts</i>	<u>1,302,168</u>	<u>1,364,243</u>	<u>1,364,243</u>	<u>0</u>
Disbursements				
Current:				
Public Works	1,279,749	1,357,129	1,254,350	102,779
Capital Outlay	327,492	312,186	96,310	215,876
<i>Total Disbursements</i>	<u>1,607,241</u>	<u>1,669,315</u>	<u>1,350,660</u>	<u>318,655</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(305,073)</u>	<u>(305,072)</u>	<u>13,583</u>	<u>318,655</u>
<i>Net Change in Fund Balance</i>	<u>(305,073)</u>	<u>(305,072)</u>	<u>13,583</u>	<u>318,655</u>
<i>Fund Balance Beginning of Year</i>	305,111	305,111	305,111	0
Prior Year Encumbrances Appropriated	9,967	9,967	9,967	0
<i>Fund Balance End of Year</i>	<u>\$10,005</u>	<u>\$10,006</u>	<u>\$328,661</u>	<u>\$318,655</u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police District
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,242,045	\$1,257,276	\$1,254,751	(\$2,525)
Intergovernmental	170,300	170,300	172,825	2,525
Other		9,431	9,431	0
<i>Total Receipts</i>	<u>1,412,345</u>	<u>1,437,007</u>	<u>1,437,007</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	1,456,993	1,471,907	1,471,907	0
Capital Outlay	46,315	56,063	31,401	24,662
<i>Total Disbursements</i>	<u>1,503,308</u>	<u>1,527,970</u>	<u>1,503,308</u>	<u>24,662</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(90,963)</u>	<u>(90,963)</u>	<u>(66,301)</u>	<u>24,662</u>
<i>Net Change in Fund Balance</i>	(90,963)	(90,963)	(66,301)	24,662
<i>Fund Balance Beginning of Year</i>	59,506	59,506	59,506	0
Prior Year Encumbrances Appropriated	<u>113,308</u>	<u>113,308</u>	<u>113,308</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81,851</u></u>	<u><u>\$81,851</u></u>	<u><u>\$106,513</u></u>	<u><u>\$24,662</u></u>

See accompanying notes to the basic financial statements

Fire Township
Stark County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$3,236,779	\$3,283,508	\$3,274,773	(\$8,735)
Licenses, Permits and Fees		1,975	1,975	0
Intergovernmental	449,100	449,100	459,990	10,890
Other		7,389	5,234	(2,155)
<i>Total Receipts</i>	<u>3,685,879</u>	<u>3,741,972</u>	<u>3,741,972</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	3,285,702	3,561,943	3,290,477	271,466
Capital Outlay	<u>3,384,509</u>	<u>3,704,107</u>	<u>598,111</u>	<u>3,105,996</u>
<i>Total Disbursements</i>	<u>6,670,211</u>	<u>7,266,050</u>	<u>3,888,588</u>	<u>3,377,462</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,984,332)</u>	<u>(3,524,078)</u>	<u>(146,616)</u>	<u>3,377,462</u>
Other Financing Sources (Uses)				
Transfers Out		(2,000,000)	(2,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,984,332)	(5,524,078)	(2,146,616)	3,377,462
<i>Fund Balance Beginning of Year</i>	2,968,876	2,968,876	2,968,876	0
Prior Year Encumbrances Appropriated	<u>15,456</u>	<u>15,456</u>	<u>15,456</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$2,539,746)</u></u>	<u><u>\$837,716</u></u>	<u><u>\$3,377,462</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fund Net Assets - Modified Cash Basis
Internal Service Fund
December 31, 2005

	<u>Governmental Activity Internal Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$14,459</u>
<i>Total Assets</i>	<u><u>\$14,459</u></u>
Net Assets	
Unrestricted	<u>\$14,459</u>
<i>Total Net Assets</i>	<u><u>\$14,459</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Modified Cash Basis
Internal Service Fund
For the Year Ended December 31, 2005

	Governmental Activities
	Internal Service
Operating Receipts	
Charges for Services	\$759,107
Operating Disbursements	
Claims and Administrative Fees	762,354
<i>Operating Income (Loss)</i>	(3,247)
<i>Net Assets Beginning of Year</i>	17,706
<i>Net Assets End of Year</i>	\$14,459

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Fund
December 31, 2005

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$35,147</u>
<i>Total Assets</i>	<u><u>\$35,147</u></u>
Net Assets	
Unrestricted	<u><u>\$35,147</u></u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Modified Note 1 – Reporting Entity

Plain Township, Stark County, Ohio, (the Township) is a body politic and corporate established in 1809 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 Fiscal Officer.

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

A. 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, emergency medical services, zoning and cemetery maintenance. The Township contracts with the Stark County Sheriff for police protection.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool for the Township's property and casualty insurance.

Management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2 C, these financial statements are presented on a modified cash basis of accounting. This modified 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 modified cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the Township's accounting policies.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets 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 assets 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 and private purpose agency funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements usually distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township does not have business-type activities.

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

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise 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. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, Capital Equipment Fire District Building Fund and Capital Equipment Fire District Aerial Ladder Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Township has the following additional major governmental funds:

Road and Bridge Fund - This fund receives voted millage and permit fees for constructing, maintaining and repairing of Township roads and bridges.

Fire District Fund – This fund receives voted millage, donations and fees to provide and maintain fire fighting equipment, buildings, sites and services for operation of the Township Fire Department.

Police District Fund – This fund receives millage from voted tax levies to provide security for persons and property located within the Township.

Capital Equipment Fire District Building Fund – This fund receives transfers from the Fire District Fund for the purpose of acquiring, constructing or improving new buildings and equipment.

Capital Equipment Fire District Aerial Ladder Fund – This fund receives transfers from the Fire District Fund for the purpose of acquiring an Aerial Ladder Truck and related fire equipment.

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

Proprietary Funds

The Township classifies funds financed primarily from user charges for goods or services as proprietary. The Township's proprietary fund is classified as internal service.

Internal Service Fund - Internal service funds account for services provided by one department of the Township to another on a cost-reimbursement basis. The Township's internal service fund accounts for a self-insurance program for employee health, vision, prescription drug and dental benefits.

Fiduciary 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 deposits held as rental deposits and for fire loss proceeds that will be refunded.

C. Basis of Accounting

The Township's financial statements are prepared using the modified 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.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

As a result of the use of this modified 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.

D. 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 certificated 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.

E. Cash and Investments

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

Investments in certificates of deposit are reported at cost and are presented on the financial statements as cash equivalents.

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 the years 2006 and 2005, the Township invested in nonnegotiable certificates of deposit, a sweep investment account, and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost. The Township's sweep investment account is recorded at the amount reported by JP Morgan Chase Bank (aka Bank One) on December 31st of each year.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2006 and 2005.

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 2005 was \$142,232 which includes \$93,731 assigned from other Township funds. Interest receipts credited to the General Fund during 2006 was \$369,900 which includes \$292,682 assigned from other Township funds.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent deposits received, retainage fees and unclaimed funds.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. 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.

J. 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 modified cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

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

L. Long-Term Obligations

The Township's modified 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 are reported at inception. Lease payments are reported when paid.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 2 – Summary of Significant Accounting Policies (continued)

M. Net Assets

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

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements. See Note 12.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

In 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For the 2006 and 2005 years, the Township has implemented the modified cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

Also as described in Note 2, the Township has elected to not report inventory, prepaid items, interfund receivables (payables), capital assets, and long-term debt as part of the cash basis of accounting.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund, Police District Fund and Fire District Fund 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 a reservation of fund balance (cash basis). The encumbrances outstanding at year end are shown in the following table. There were no outstanding advances at the end of 2006 or 2005.

<u>Encumbrances</u>	<u>2006</u>	<u>2005</u>
General Fund	\$45,425	\$54,948
Road and Bridge Fund	7,743	35,922
Police District Fund	113,652	7,671
Fire District Fund	10,931	78,530
Other Governmental	3,547	19,291

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 5 – Deposits and Investments

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

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

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

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

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

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

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 5 – Deposits and Investments (continued)

At year end, the Township did not have any undeposited cash on hand.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2005, \$5,015,666 of the Township's bank balance of \$5,218,289 and at year end 2006, \$4,094,201 of the Township's bank balance of \$4,396,104 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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 105 percent of the deposits being secured.

Investments

As of December 31, the Township had the following investments

<u>Investment Type</u>	<u>Carrying Value</u>	
	<u>2006</u>	<u>2005</u>
Sweep Repurchase Agreement	\$2,266,000	\$1,265,000
STAR Ohio	<u>36,587</u>	<u>34,848</u>
Total Investments	<u>\$2,302,587</u>	<u>\$1,299,848</u>

These investments mature in less than one year.

Interest rate risk arises because the fair value of investments changes as interest rates change. 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 that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with 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.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 5 – Deposits and Investments (continued)

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 U.S. Treasury Bills 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."

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in each year represent the collection of prior year taxes. Real property taxes received in each year were levied after October 1, on the assessed values as of January 1, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value.

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

Public utility property tax receipts received in each year represent the collection of prior year taxes. Public utility real and tangible personal property taxes received in each year became a lien on December 31, of the prior year, were levied after October 1, of the prior year, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in each year (other than public utility property) represent the collection of current year taxes. Tangible personal property taxes received in each year were levied after October 1, of the prior year, on the true value as of December 31, of the prior year. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2006 and 2005, was \$11.65 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

Real Property:	<u>2006</u>	<u>2005</u>
Residential/Agricultural	\$549,309,020	\$540,339,380
Commercial/Industrial/Mineral	91,505,890	90,385,730
Tangible Personal Property:		
Business	15,517,206	21,007,713
Public Utility	<u>18,316,440</u>	<u>18,123,310</u>
Total Assessed Value	<u>\$674,648,556</u>	<u>\$669,856,133</u>

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 7 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 7 – Risk Management (continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 and 2005:

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	<u>(11,443,952)</u>	<u>(12,344,576)</u>
Retained earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	<u>(676,709)</u>	<u>(1,406,031)</u>
Retained earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$10.8 million and \$11.6 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$10.8 million and \$11.6 million of unpaid claims to be billed to approximately 958 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$143,000. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

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. The Township's contributions to OTARMA for the past three years are as follows:

<u>Contributions to OTARMA</u>	
2004	\$68,044
2005	70,860
2006	71,352

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 7 – Risk Management (continued)

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

The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township is self insured through AultCare for health insurance coverage that includes prescriptions, dental and vision. The Self Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds based on an actuarial method or historical cost information and adjusted over a reasonable period of time so the internal service fund receipts and disbursements are approximately equal.

Note 8 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2006 and 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 and 8.5 percent, respectively, of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.10 and 9 percent, respectively, of their annual covered salary; members in public safety contributed 9 percent in both years. The Township's contribution rate for pension benefits for 2006 and 2005 was 9.2 and 9.55 percent, respectively, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.93 and 16.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 8 – Defined Benefit Pension Plan (continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$150,568, \$161,260, and \$152,056 respectively. The full amount has been contributed for 2006, 2005, and 2004. No payments were made to the member directed plan.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 24 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for firefighters were \$399,934 for the year ended December 31, 2006; \$407,151 for the year ended December 31, 2005, and \$452,525 for the year ended December 31, 2004. The full amount has been contributed for 2006, 2005, and 2004.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The portion of employer contributions in 2006 and 2005, for all employers, allocated to health care was 4.5 percent and 4.0 percent, respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 9 - Postemployment Benefits (continued)

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 and 2005 which were used to fund postemployment benefits were \$73,648 and \$67,543, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

The total firefighter contribution rate is 10 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The Township's actual contributions for 2006 and 2005 that were used to fund postemployment benefits were \$129,145 and \$131,476 for firefighters which represents 7.75 percent of covered payroll. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

Note 10 - Debt

The Township's long-term debt activity for the year ended December 31, 2006 follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2006
<u>Governmental Activities</u>					
Real Estate Anticipation Bonds - 2006 Issue	4.65%	\$0	\$1,000,000	\$0	\$1,000,000

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 10 – Debt (continued)

The Real Estate Anticipation 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.

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

<u>Year</u>	<u>Real Estate Anticipation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$200,000	\$55,929
2008	200,000	34,875
2009	200,000	25,575
2010	200,000	16,275
2011	200,000	6,975
Totals	<u>\$1,000,000</u>	<u>\$139,629</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, 2006, were an overall debt margin of \$111,943,967 and an unvoted debt margin of \$58,161,125.

Note 11 – Leases

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$133,113 and \$82,257 to pay lease costs for the years ended December 31, 2006 and 2005 for police cruisers for the Police Department and a Gradall for the Road Department. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2007	\$82,257
2008	31,401
2009	31,401
Total	<u>\$145,059</u>

Note 12 – Interfund Transfers

During 2006 the following transfers were made:

<u>Transfers from the Fire District Fund to:</u>	
Capital Equipment Fire District Building Fund	\$250,000
Other Governmental Funds	250,000
Total Transfers from the Fire District Fund	<u>\$500,000</u>

Transfers represent the allocation of unrestricted receipts collected in the Fire District Fund to finance capital equipment reserve funds established for fire department buildings and fire rescue equipment accounted for in other funds in accordance with budgetary authorizations.

<u>Transfers from the General Fund to:</u>	
Other Governmental Funds	<u>\$506,841</u>

**Plain Township
Stark County**
Notes to the Financial Statements
For the Years Ending December 31, 2006 and 2005

Note 12 – Interfund Transfers (continued)

Transfers represent the allocation of unrestricted receipts collected in the General Fund to subsidize the Zoning Fund and to set aside funds for repayment of the Real Estate Acquisition Bonds used for purchase of the Schneider Street property.

During 2005 the following transfers were made:

<u>Transfers from the Fire District Fund to:</u>	
Capital Equipment Fire District Building Fund	\$1,000,000
Capital Equipment Fire District Aerial Ladder Fund	<u>1,000,000</u>
Total Transfers from the Fire District Fund	<u>\$2,000,000</u>

Transfers represent the allocation of unrestricted receipts collected in the Fire District Fund to finance capital equipment reserve funds established for fire department buildings and aerial ladder & related equipment accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Contingent Liabilities

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.



Mary Taylor, CPA

Auditor of State

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

Plain Township
Stark County
2600 Easton Street NE
Canton, Ohio 44721

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plain Township, Stark County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Township's management in a separate letter dated November 21, 2007.

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, providing an opinion 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*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated November 21, 2007.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 21, 2007



Mary Taylor, CPA
Auditor of State

PLAIN TOWNSHIP

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 31, 2007**