



Mary Taylor, CPA
Auditor of State

**PLAIN TOWNSHIP
STARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Plain Township
Stark County
2600 Easton Street N.E.
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 year ended December 31, 2008, 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 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 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, 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, and Road District Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2009, 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.

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www.auditor.state.oh.us

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

Mary Taylor, CPA
Auditor of State

October 9, 2009

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
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, 2008, 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 2008 are as follows:

Net assets of governmental activities decreased \$572,654, or 7.41 percent mainly due retiring the note for Schneider Park.

The Township's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent 72.75 percent of the total cash received for governmental activities during the year. Property tax receipts for 2008 decreased by \$164,563 under 2007 due to decreased property tax collections. The development within the Township has been stagnated.

During 2008 the Plain Township Board of Trustees employed twelve new firefighter/paramedics in the Fire Department increasing service to the Township.

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 cash basis of accounting.

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

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

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2008, within the limitations of 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.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property 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 not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into 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 non-major 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, Road and Bridge, Police District, Fire District, Road 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.

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 on a cash basis:

(Table 1)

Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Assets		
Cash and Cash Equivalents	<u>\$7,155,569</u>	<u>\$7,728,223</u>
Net Assets		
Restricted for:		
Debt Service		\$460,450
Capital Projects	\$2,975,000	2,575,000
Other Purposes	2,587,334	2,646,639
Unrestricted	<u>1,593,235</u>	<u>2,046,134</u>
Total Net Assets	<u>\$7,155,569</u>	<u>\$7,728,223</u>

As mentioned previously, net assets of governmental activities decreased \$572,654 or 7.41 percent during 2008. The primary reasons contributing to the decreases in cash balances were due to the retirement of the note for Schneider Park, increased fuel prices and other costs. The Township did not give out salary increases to the employees except in a few instances. Instead for the full-time non-contractual employees, the Trustees passed a resolution to “pick-up” three percent of the employees OPERS retirement contribution.

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2 reflects the changes in net assets in 2008 and 2007.

(Table 2)
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$621,159	\$549,538
Operating Grants and Contributions	1,917,467	1,303,270
Total Program Receipts	<u>2,538,626</u>	<u>1,852,808</u>
General Receipts:		
Property and Other Local Taxes	7,794,047	7,958,610
Cable Franchise Fees	129,290	131,140
Grants and Entitlements Not Restricted	950,937	1,435,162
Interest	293,011	424,241
Miscellaneous	315,466	44,380
Total General Receipts	<u>9,482,751</u>	<u>9,993,533</u>
Total Receipts	<u>12,021,377</u>	<u>11,846,341</u>
Disbursements:		
General Government	1,226,959	1,037,343
Public Health Services	209,642	198,729
Public Works	3,630,728	2,856,128
Public Safety	6,116,504	5,340,136
Conservation/Recreation	328,861	253,914
Capital Outlay	264,416	671,811
Debt Service:		
Principal Retirement	800,000	200,000
Interest and Fiscal Charges	16,921	55,929
Total Disbursements	<u>12,594,031</u>	<u>10,613,990</u>
Total Receipts Over Disbursements	(572,654)	1,232,351
Net Assets, January 1	<u>7,728,223</u>	<u>6,495,872</u>
Net Assets, December 31	<u>\$7,155,569</u>	<u>\$7,728,223</u>

Program receipts represent 21.12 percent of total receipts during 2008 and 15.64 percent of total receipts during 2007. 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 78.88 percent in 2008 and 84.36 percent in 2007 of the Township's total receipts, and of this amount, 82.19 percent in 2008 and 79.64 percent in 2007 are local taxes. Cable franchise fees, interest and miscellaneous income 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 Year Ended December 31, 2008
Unaudited

General government disbursements for the 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 25 percent of General 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 28.83 and 48.57 percent of all governmental disbursements, respectively, for 2008. 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 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$1,226,959	(\$505,051)	\$1,037,343	(\$506,436)
Public Health Services	209,642	(209,642)	198,729	(198,729)
Conservation and Recreation	328,861	(73,260)	253,914	(41,292)
Public Safety	6,116,504	(4,822,713)	5,340,136	(4,510,734)
Public Works	3,630,728	(3,363,402)	2,856,128	(2,576,251)
Capital Outlay	264,416	(264,416)	671,811	(671,811)
Principal Retirement	800,000	(800,000)	200,000	(200,000)
Interest and Fiscal Charges	16,921	(16,921)	55,929	(55,929)
Total Expenses	<u>\$12,594,031</u>	<u>(\$10,055,405)</u>	<u>\$10,613,990</u>	<u>(\$8,761,182)</u>

The dependence upon general receipts (and property taxes in particular) is apparent as 79.84 percent in 2008 and 82.54 percent in 2007 of governmental activities are supported through these general receipts.

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
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 for Township residents and a small fee for others. During 2008 a concession stand was added during the hours the facility is open.

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

Total governmental funds had receipts of \$11,991,110 and disbursements of \$12,661,709. The greatest changes within governmental funds occurred within the General and Fire District Funds. The General Fund transferred \$758,150 to the Schneider Bond Fund to pay off the note outstanding.

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 2008, 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 2008 were budgeted at \$3,094,012 while actual disbursements plus encumbrances were \$1,804,330.

Capital Assets and Debt Administration

Capital Assets

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

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. This debt was retired in 2008.

For further information regarding the Township's debt, refer to Note 9 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.

Plain Township
Stark County

Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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 - Cash Basis
December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$7,155,569</u>
<i>Total Assets</i>	<u><u>\$7,155,569</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$2,975,000
Other Purposes	2,587,334
Unrestricted	<u>1,593,235</u>
<i>Total Net Assets</i>	<u><u>\$7,155,569</u></u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
 Statement of Fund Net Assets - Cash Basis
 Governmental Funds
 December 31, 2008

	General	Road and Bridge	Police District	Fire District	Road District	Capital Equipment Fire Building	Capital Equipment Aerial Ladder	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$1,401,260	\$168,796	\$13,447	\$1,768,790	\$65,460	\$1,250,000	\$1,000,000	\$1,295,841	\$6,963,594
Total Assets	\$1,401,260	\$168,796	\$13,447	\$1,768,790	\$65,460	\$1,250,000	\$1,000,000	\$1,295,841	\$6,963,594
Fund Balances									
Reserved:									
Reserved for Encumbrances	\$33,470	\$3,765		\$97,901	\$392			\$8,315	\$143,843
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	1,367,790								1,367,790
Special Revenue Funds		165,031	\$13,447	1,670,889	65,068			562,526	2,476,961
Capital Projects Funds						\$1,250,000	\$1,000,000	725,000	2,975,000
Total Fund Balances	\$1,401,260	\$168,796	\$13,447	\$1,768,790	\$65,460	\$1,250,000	\$1,000,000	\$1,295,841	\$6,963,594

See accompanying notes to the basic financial statements

Plain Township
Stark County
*Reconciliation of Total Governmental
Fund Balances to Net Assets of Governmental Activities - Cash Basis
December 31, 2008*

Total Governmental Funds	\$6,963,594
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***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.

191,975

Net Assets of Governmental Activities

<u>\$7,155,569</u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**
Statement of Cash Receipts,
Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Road and Bridge	Police District	Fire District	Road District	Capital Equipment Fire Building	Capital Equipment Aerial Ladder	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$333,042	\$1,247,846	\$1,234,763	\$3,995,285	\$983,112			\$210,982	\$7,794,048
Charges for Services		12,714		775				236,515	223,696
Licenses, Permits and Fees	129,290								366,580
Fines and Forfeitures	34,999								34,999
Intergovernmental	950,937	201,405	194,899	897,626	160,882			462,655	2,868,404
Special Assessments	27,348							53,207	80,555
Interest	288,245							4,766	293,011
Other	212,625	23,155	246	46,407				47,384	329,817
Total Receipts	1,976,486	1,485,120	1,429,908	4,940,093	1,143,994			1,015,509	11,991,110
Disbursements									
Current:									
General Government	1,195,444							40,763	1,236,207
Public Safety	90,598		1,454,609	4,364,525				250,017	6,159,749
Public Works	190,216	1,463,110			1,105,693			689,572	3,448,591
Health	209,642								209,642
Conservation-Recreation	84,959			264,416	195,956			245,268	330,227
Capital Outlay									460,372
Debit Service								800,000	800,000
Principal Amount								16,921	16,921
Interest and Fiscal Charges									
Total Disbursements	1,770,859	1,463,110	1,454,609	4,628,941	1,301,649			2,042,541	12,661,709
Excess of Receipts Over (Under) Disbursements	205,627	22,010	(24,701)	311,152	(157,655)			(1,027,032)	(670,599)
Other Financing Sources (Uses)									
Transfers In	1,679							758,150	759,829
Transfers Out	(758,150)							(1,679)	(759,829)
Total Other Financing Sources (Uses)	(756,471)	0	0	0	0			756,471	0
Change in Fund Balances	(550,844)	22,010	(24,701)	311,152	(157,655)			(270,561)	(670,599)
Fund Balances Beginning of Year	1,952,104	146,786	38,148	1,457,638	223,115	\$1,250,000	\$1,000,000	1,566,402	7,634,193
Fund Balances End of Year	\$1,401,260	\$168,796	\$13,447	\$1,768,790	\$65,460	\$1,250,000	\$1,000,000	\$1,295,841	\$6,963,594

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 - Cash Basis
For the Year Ended December 31, 2008*

Net Change in Fund Balances - Total Governmental Funds	(\$670,599)
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***Amounts reported for governmental activities in the
statement of activities are different because***

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund disbursements and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).

97,945

Change in Net Assets of Governmental Activities

(\$572,654)

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, 2008*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$311,214	\$311,214	\$333,042	\$21,828
Fines and Forfeitures	25,000	25,000	34,999	9,999
Intergovernmental	570,982	946,679	950,937	4,258
Special Assessments		27,348	27,348	0
Cable Franchise Fees	135,000	135,000	129,290	(5,710)
Interest	300,000	300,000	288,245	(11,755)
Other	33,506	160,112	212,625	52,513
<i>Total Receipts</i>	<u>1,375,702</u>	<u>1,905,353</u>	<u>1,976,486</u>	<u>71,133</u>
Disbursements				
Current:				
General Government	1,641,369	2,008,000	1,228,915	779,085
Public Safety	84,282	194,598	90,598	104,000
Public Works	506,110	542,416	190,216	352,200
Health	230,970	237,548	209,642	27,906
Conservation-Recreation	99,950	111,450	84,959	26,491
<i>Total Disbursements</i>	<u>2,562,681</u>	<u>3,094,012</u>	<u>1,804,330</u>	<u>1,289,682</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,186,979)</u>	<u>(1,188,659)</u>	<u>172,156</u>	<u>1,360,815</u>
Other Financing Sources (Uses)				
Transfers In		1,679	1,679	0
Transfers Out	(758,150)	(758,150)	(758,150)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(758,150)</u>	<u>(756,471)</u>	<u>(756,471)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,945,129)	(1,945,130)	(584,315)	1,360,815
<i>Fund Balance Beginning of Year</i>	1,945,129	1,945,129	1,945,129	0
Prior Year Encumbrances Appropriated	6,975	6,975	6,975	0
<i>Fund Balance End of Year</i>	<u>\$6,975</u>	<u>\$6,974</u>	<u>\$1,367,789</u>	<u>\$1,360,815</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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,260,900	\$1,279,552	\$1,247,846	(\$31,706)
Charges for Services		10,399	12,714	2,315
Intergovernmental	194,008	194,008	201,405	7,397
Other		18,936	23,155	4,219
<i>Total Receipts</i>	<u>1,454,908</u>	<u>1,502,895</u>	<u>1,485,120</u>	<u>(17,775)</u>
Disbursements				
Current:				
Public Works	<u>1,583,042</u>	<u>1,631,030</u>	<u>1,466,875</u>	<u>164,155</u>
<i>Total Disbursements</i>	<u>1,583,042</u>	<u>1,631,030</u>	<u>1,466,875</u>	<u>164,155</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(128,134)</u>	<u>(128,135)</u>	<u>18,245</u>	<u>146,380</u>
<i>Fund Balance Beginning of Year</i>	128,134	128,134	128,134	0
Prior Year Encumbrances Appropriated	<u>18,652</u>	<u>18,652</u>	<u>18,652</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,652</u></u>	<u><u>\$18,651</u></u>	<u><u>\$165,031</u></u>	<u><u>\$146,380</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
Police District Fund
For the Year Ended December 31, 2008*

	<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	\$1,245,294	\$1,245,294	\$1,234,763	(\$10,531)
Intergovernmental	186,967	186,967	194,899	7,932
Other			246	246
<i>Total Receipts</i>	<u>1,432,261</u>	<u>1,432,261</u>	<u>1,429,908</u>	<u>(2,353)</u>
Disbursements				
Current:				
Public Safety	<u>1,462,939</u>	<u>1,462,939</u>	<u>1,454,609</u>	<u>8,330</u>
<i>Total Disbursements</i>	<u>1,462,939</u>	<u>1,462,939</u>	<u>1,454,609</u>	<u>8,330</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,678)</u>	<u>(30,678)</u>	<u>(24,701)</u>	<u>5,977</u>
<i>Fund Balance Beginning of Year</i>	<u>38,148</u>	<u>38,148</u>	<u>38,148</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$7,470</u>	<u>\$7,470</u>	<u>\$13,447</u>	<u>\$5,977</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 Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$4,038,734	\$4,038,734	\$3,995,285	(\$43,449)
Licenses, Permits and Fees		575	775	200
Intergovernmental	611,217	935,433	897,626	(37,807)
Other		46,312	46,407	95
<i>Total Receipts</i>	<u>4,649,951</u>	<u>5,021,054</u>	<u>4,940,093</u>	<u>(80,961)</u>
Disbursements				
Current:				
Public Safety	5,003,500	5,271,607	4,462,426	809,181
Capital Outlay	1,027,892	1,130,888	264,416	866,472
<i>Total Disbursements</i>	<u>6,031,392</u>	<u>6,402,495</u>	<u>4,726,842</u>	<u>1,675,653</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,381,441)</u>	<u>(1,381,441)</u>	<u>213,251</u>	<u>1,594,692</u>
<i>Fund Balance Beginning of Year</i>	1,381,441	1,381,441	1,381,441	0
Prior Year Encumbrances Appropriated	76,197	76,197	76,197	0
<i>Fund Balance End of Year</i>	<u>\$76,197</u>	<u>\$76,197</u>	<u>\$1,670,889</u>	<u>\$1,594,692</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 District Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,150,888	\$1,150,888	\$983,112	(\$167,776)
Intergovernmental	153,594	153,594	160,882	7,288
<i>Total Receipts</i>	<u>1,304,482</u>	<u>1,304,482</u>	<u>1,143,994</u>	<u>(160,488)</u>
Disbursements				
Current:				
Public Safety	1,174,063	1,175,903	1,106,085	69,818
Capital Outlay	200,000	198,100	195,956	2,144
<i>Total Disbursements</i>	<u>1,374,063</u>	<u>1,374,003</u>	<u>1,302,041</u>	<u>71,962</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(69,581)</u>	<u>(69,521)</u>	<u>(158,047)</u>	<u>(88,526)</u>
<i>Fund Balance Beginning of Year</i>	213,973	213,973	213,973	0
Prior Year Encumbrances Appropriated	<u>9,142</u>	<u>9,142</u>	<u>9,142</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$153,534</u>	<u>\$153,594</u>	<u>\$65,068</u>	<u>(\$88,526)</u>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fund Net Assets - Cash Basis
Internal Service Fund
December 31, 2008

	Governmental Activity
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$191,975</u>
<i>Total Assets</i>	<u><u>\$191,975</u></u>
Net Assets	
Unrestricted	<u><u>\$191,975</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 - Cash Basis
Internal Service Fund
For the Year Ended December 31, 2008

	Governmental Activities
	Internal Service
Operating Receipts	
Charges for Services	\$975,278
Other	30,268
	1,005,546
<i>Total Operating Receipts</i>	<i>1,005,546</i>
Operating Disbursements	
Claims and Administrative Fees	907,601
	97,945
<i>Operating Income</i>	<i>97,945</i>
<i>Net Assets Beginning of Year</i>	<i>94,030</i>
<i>Net Assets End of Year</i>	<i>\$191,975</i>

See accompanying notes to the basic financial statements

Plain Township
Stark County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2008

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$20,563</u>
<i>Total Assets</i>	<u><u>\$20,563</u></u>
Net Assets	
Unrestricted	<u><u>\$20,563</u></u>

See accompanying notes to the basic financial statements

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008

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 cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. 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 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 Year Ending December 31, 2008
(Continued)

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 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 Year Ending December 31, 2008
(Continued)

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, Road 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.

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

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.

Road District Fund - This fund receives voted millage for constructing, maintaining and repairing Township roads.

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.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The alternative 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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

During the year 2008, 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 on December 31st of each year.

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, 2008.

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 2008 was \$288,245 which includes \$231,030 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.

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 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 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations

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

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 11.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, and Road 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.

<u>Encumbrances</u>	<u>2008</u>
General Fund	\$33,470
Road and Bridge Fund	3,765
Fire District Fund	97,901
Road District Fund	392

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 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 Year Ending December 31, 2008
(Continued)

Note 4 – Deposits and Investments (continued)

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 2008, \$1,795,652 of the Township's bank balance of \$2,064,402 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>
Sweep Repurchase Agreement	\$1,604,629
STAR Ohio	<u>3,696,201</u>
Total Investments	<u>\$5,300,830</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.

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."

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008, was \$12.45 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:	
Residential/Agricultural	\$611,394,990
Commercial/Industrial/Mineral	114,202,350
Tangible Personal Property:	
Business	4,566,512
Public Utility	<u>15,914,812</u>
Total Assessed Value	<u>\$746,078,664</u>

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

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 6 – Risk Management

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. 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, 2007 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, 2007, 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, 2007) or \$3,000,000 (for claims on or after January 1, 2007) as noted above.

Property Coverage

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 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.

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, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	<u>(13,357,837)</u>	<u>(12,120,661)</u>
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 6 – Risk Management (continued)

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, 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 \$58,000. 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>	
2008	\$62,009
2007	56,917
2006	71,352

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.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

Plan Description - 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll, and public safety and law enforcement members contributed 10.1 percent.

The Township's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the Township's contribution rate was 17.40 percent of covered payroll. For 2008, a portion of the Township's contribution equal to 7 percent of covered payroll was allocated to fund the postemployment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Township of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007 and 2006 were \$132,238, \$140,969, and \$150,568, respectively. The full amount has been contributed for 2008, 2007 and 2006. No payments were made to the member directed plan.

B. Ohio Police and Fire Pension Fund

Plan Description - 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.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 7 – Defined Benefit Pension Plan (continued)

Funding Policy - 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 established by State statute. For 2008, a portion of the Township's contribution equal to 6.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Township's contributions to OP&F for firefighters were \$525,828 for the year ended December 31, 2008, \$453,942 for the year ended December 31, 2007 and \$399,934 for the year ended December 31, 2006. The full amount has been contributed for 2008, 2007 and 2006.

Note 8 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll for 2008.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$132,238, \$98,025, and \$73,648, respectively; 100 percent has been contributed for 2008, 2007 and 2006.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 8 - Postemployment Benefits (continued)

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F which were allocated to fund postemployment healthcare benefits for firefighters were \$147,889 for the year ended December 31, 2008, \$127,558 for the year ended December 31, 2007 and \$129,179 for the year ended December 31, 2006. The full amount has been contributed for 2008, 2007, and 2006.

**Plain Township
Stark County**
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 9 - Debt

The Township's long-term debt activity for the year ended December 31, 2008 follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
<u>Governmental Activities</u>					
Real Estate Anticipation Bonds - 2006 Issue	4.65%	\$800,000	\$0	\$800,000	\$0

The Real Estate Anticipation Bonds were 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.

Note 10 – Leases

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$31,401 for the year ended December 31, 2008 for police cruisers for the Police Department. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$31,401

During 2008 the Township entered into a five year lease agreement with Key Government Finance, Inc. for the purchase of a Vactor Sewer Cleaner at a total cost of \$299,043 with yearly payments of \$64,864 each. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 64,864
2010	64,864
2011	64,864
2012	64,864
Total	<u>\$259,456</u>

Note 11 – Interfund Transfers

During 2008 the following transfers were made:

<u>Transfers from the General Fund to:</u>	
Schneider Bond Fund	\$358,150
Park Development Fund	<u>400,000</u>
Total Transfers from the General Fund:	<u>\$ 758,150</u>
 <u>Transfers from the Schneider Bond Fund to:</u>	
General Fund	<u>\$1,679</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to set aside funds for repayment of the Real Estate Acquisition Bonds used for purchase of the Schneider Street property and establish a contingency fund for development of the new Schneider Park. The remaining funds in the Schneider Bond Fund were transferred to the General Fund after repayment of the debt in 2008.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ending December 31, 2008
(Continued)

Note 12 – 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 year ended December 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated October 9, 2009, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. 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 controls 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 October 9, 2009.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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 October 9, 2009.

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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 9, 2009



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 8, 2009**