



Dave Yost • Auditor of State



PLAIN TOWNSHIP  
STARK COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Plain Township  
Stark County  
2600 Easton Street N.E.  
Canton, Ohio 44721

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Plain Township, Stark County, (the Township) as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Plain Township, Stark County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2017, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 18, 2017

**PLAIN TOWNSHIP  
STARK COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$494,728	\$9,298,999	\$0	\$9,793,727
Charges for Services	28,473	1,163,833	0	1,192,306
Licenses, Permits and Fees	779,641	5,950	0	785,591
Fines and Forfeitures	13,757	0	0	13,757
Intergovernmental	307,968	1,727,000	0	2,034,968
Special Assessments	0	81,734	0	81,734
Earnings on Investments	25,991	443	0	26,434
Gifts	14,215	3,255	0	17,470
Miscellaneous	28,798	29,149	0	57,947
<i>Total Cash Receipts</i>	<u>1,693,571</u>	<u>12,310,363</u>	<u>0</u>	<u>14,003,934</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,329,671	5,809	0	1,335,480
Public Safety	0	6,679,365	0	6,679,365
Public Works	4,626	3,295,960	0	3,300,586
Health	187,905	6	0	187,911
Conservation-Recreation	108,980	222,775	0	331,755
Capital Outlay	509,754	1,303,483	0	1,813,237
Contract Services	2,500	0	0	2,500
<i>Total Cash Disbursements</i>	<u>2,143,436</u>	<u>11,507,398</u>	<u>0</u>	<u>13,650,834</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(449,865)</u>	<u>802,965</u>	<u>0</u>	<u>353,100</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	0	450,000	450,000
Transfers Out	0	(450,000)	0	(450,000)
Other Financing Sources	289	2,750	0	3,039
Other Non-Operating Revenues	13,673	36,336	0	50,009
<i>Total Other Financing Receipts (Disbursements)</i>	<u>13,962</u>	<u>(410,914)</u>	<u>450,000</u>	<u>53,048</u>
<i>Net Change in Fund Cash Balances</i>	<u>(435,903)</u>	<u>392,051</u>	<u>450,000</u>	<u>406,148</u>
<i>Fund Cash Balances, January 1</i>	<u>3,016,771</u>	<u>3,802,273</u>	<u>150,000</u>	<u>6,969,044</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	4,194,324	600,000	4,794,324
Committed	11,000	0	0	11,000
Assigned	2,569,868	0	0	2,569,868
<i>Fund Cash Balances, December 31</i>	<u>\$2,580,868</u>	<u>\$4,194,324</u>	<u>\$600,000</u>	<u>\$7,375,192</u>

See accompanying notes to the financial statements

**PLAIN TOWNSHIP  
STARK COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Internal Service	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$904,735	\$0	\$904,735
Miscellaneous	50,271	0	50,271
<i>Total Operating Cash Receipts</i>	<u>955,006</u>	<u>0</u>	<u>955,006</u>
<b>Operating Cash Disbursements</b>			
Purchased Services	263,280	0	263,280
Claims	724,532	0	724,532
<i>Total Operating Cash Disbursements</i>	<u>987,812</u>	<u>0</u>	<u>987,812</u>
<i>Operating Income (Loss)</i>	<u>(32,806)</u>	<u>0</u>	<u>(32,806)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Other Non-Operating Revenues	0	6,540	6,540
Other Non-Operating Disbursements	0	(125)	(125)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>6,415</u>	<u>6,415</u>
<i>Net Change in Fund Cash Balances</i>	<u>(32,806)</u>	<u>6,415</u>	<u>(26,391)</u>
<i>Fund Cash Balances, January 1</i>	<u>499,637</u>	<u>6,308</u>	<u>505,945</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$466,831</u></u>	<u><u>\$12,723</u></u>	<u><u>\$479,554</u></u>

See accompanying notes to the financial statements

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio established in 1809 the rights and privileges of Plain Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township also has an elected Township fiscal Officer. The Township provides road and bridge maintenance, cemetery maintenance, zoning, several parks, fire protection and emergency medical services. The Township contracts with the Stark County Sheriff for police services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

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. This is a local government risk-sharing pool to provide risk management services, risk sharing facilities, and protection for every member of the Pool. Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives non-voted millage and permit fees for constructing, maintaining, and repairing 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 firefighting equipment, buildings, sites and services for the operation of the Township Fire Department.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

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

Ambulance and Emergency Medical Services - This fund receives payments from insurance companies and individuals for providing medical treatment and transportation of persons for medical purposes. Prior to 2012 the Township only billed non-residents for this service. In the later part of 2012, the Township started billing Township residents for the amount their insurance pays.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Capital Project -Fire Training 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 Truck & Related Equipment Fund – This fund receives transfers from the Fire District Fund for the purchase of a new fire truck and related equipment for the Fire Department.

Capital Project - Road Building Fund - This fund receives transfers from the Gas Tax and Road & Bridge Funds for the purpose of acquiring, constructing or improving new buildings and equipment.

Capital Equipment – Fire Radio Comm & Related Equipment Fund – This fund receives transfers from the Fire District Fund for the purchase of radio communication and related equipment for the Fire Department.

Capital Project -Fire Building Repair Fund - This fund receives transfers from the Fire District Fund for the purpose of acquiring, constructing or improving buildings.

Capital Equipment – Fire Self Contained Breathing Apparatus Fund – This fund receives transfers from the Fire District Fund for the purchase of SCBA equipment for the Fire Department.

**Internal Service Fund** This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

**Self-funded Insurance Medical Fund** – The self-funded insurance medical fund accounts for insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Agency Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Townships agency fund accounts for deposits held for rental of Township buildings and insurance escrow deposits for fire losses.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

***Appropriations***

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources***

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The Stark County Budget Commission must approve estimated resources.

***Encumbrances***

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts and disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,638,620	\$1,707,533	\$68,913
Special Revenue	12,292,308	12,349,449	57,141
Capital Projects	650,000	450,000	(200,000)
Internal Service	1,032,323	955,006	(77,317)
Agency	50,000	6,540	(43,460)
Total	\$15,663,251	\$15,468,528	(\$194,723)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,655,391	\$2,176,810	\$2,478,581
Special Revenue	16,094,581	12,444,867	3,649,714
Capital Projects	200,000	0	200,000
Internal Service	1,531,959	987,812	544,147
Agency	56,308	6,765	49,543
Total	\$22,538,239	\$15,616,254	\$6,921,985

The Zoning and Underground Storage Tank funds have been included in the General Fund for financial statement and budgetary presentation.

**Note 4 – Deposits and Investments**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2016
Demand deposits	(\$437,389)
Star Ohio Plus	253,641
Total deposits	(183,748)
STAR Ohio	7,076,954
Repurchase agreement	955,000
Escrow Account	6,540
Total investments	8,038,494
Total deposits and investments	\$7,854,746

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

**Note 4 – Deposits and Investments – (continued)**

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

***Investments***

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 6 - Interfund Balances**

During 2016 the following transfers were made:

2016 Interfund Transfers			
	Transfers From		
Transfer to:	Special Revenue	Special Revenue	Special Revenue
	Gas Tax	Road & Bridge	Fire District
Capital Project Road Building	\$25,000	\$25,000	
Capital Equip Radio Comm			\$100,000
Capital Proj Fire Bldg Repair			200,000
Capital Equip SCBA			100,000
Total	\$25,000	\$25,000	\$400,000

These transfers were made to create reserves for anticipated capital expenditures of the Township.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**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 participated in the group rating program sponsored by the Ohio Township Association which was administered by CareWorksComp.

**A. Risk Pool Membership**

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

Casualty and Property Coverage

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

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

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, 2016.

	<u><b>2016</b></u>
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$41,000.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 7 - Risk Management (continued)**

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.

**2016 Contributions to OTARMA**

\$92,005

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

**B. Self-Insurance**

The Township is also self-insured for health insurance. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2016</u>
Cash and investments	\$466,831
Actuarial liabilities	\$95,410

The actuarial liabilities were calculated by Findley Davies 1300 East Ninth Street, Suite 850, Cleveland, Ohio 44134.

**Note 8 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System** - 58 employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2016. For most full-time employees contributing to OPERS, the Township has a "pick-up" of 3% of the employee's contribution.

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 8 - Defined Benefit Pension Plans (continued)**

**Ohio Police and Fire Retirement** - 46 certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages, respectively. The Township has a "pick-up" of 3% of the full-time employee's contribution to OP&F for the Fire Chief, and Deputy Chief. The Township has paid all contributions required through December 31, 2016.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Debt**

**Installment Purchases**

The Township entered into an installment purchase agreement for the purchase of a 2012 Case 621 Wheel Loader for the Road Department at a cost of \$137,216 in November 2012. This was a 5 Year Agreement, with the first payment due at signing and the last and final payment of \$28,955 was made in 2016.

The Township entered into an installment purchase agreement for the purchase of a 2016 Schwarze A7000 Tornado Regenerative Air Sweeper at a cost of \$192,900.64 in February 2016. This is a 5 Year Agreement, with the first payment due at signing and the last payment due in 2020.

The remaining installment payments due as of December 31, 2016 are as follows:

Year Ending December 31:	2016 Schwarze A7000 Street Sweeper
2017	\$40,501
2018	\$40,501
2019	\$40,501
2020	\$40,501
Total	\$162,004

**Plain Township  
Stark County, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2016**

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**Note 11 – Subsequent Events**

Township residents approved a renewal of a tax of 2.25 mills and an increase of 2 mills to constitute a tax of 4.25 mills Police District Levy on November 8, 2016. This levy is expected to bring in an additional \$1,443,889 annually to the Police District (fund 09) over the next 5 years beginning in 2017.

**PLAIN TOWNSHIP  
STARK COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$468,325	\$7,915,752	\$0	\$8,384,077
Charges for Services	33,156	1,162,925	0	1,196,081
Licenses, Permits and Fees	803,912	5,575	0	809,487
Fines and Forfeitures	14,774	0	0	14,774
Intergovernmental	380,443	1,688,250	0	2,068,693
Special Assessments	0	83,952	0	83,952
Earnings on Investments	13,644	167	0	13,811
Gifts	7,548	2,767	0	10,315
Miscellaneous	105,832	54,807	0	160,639
<i>Total Cash Receipts</i>	<u>1,827,634</u>	<u>10,914,195</u>	<u>0</u>	<u>12,741,829</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,306,285	5,465	0	1,311,750
Public Safety	126,348	6,018,932	0	6,145,280
Public Works	52,366	3,232,702	0	3,285,068
Health	193,783	706	0	194,489
Conservation-Recreation	98,958	223,702	0	322,660
Capital Outlay	232,065	718,017	0	950,082
Contract Services	2,500	0	0	2,500
<i>Total Cash Disbursements</i>	<u>2,012,305</u>	<u>10,199,524</u>	<u>0</u>	<u>12,211,829</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(184,671)</u>	<u>714,671</u>	<u>0</u>	<u>530,000</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	12,606	0	150,000	162,606
Transfers Out	0	(150,000)	(12,606)	(162,606)
Other Financing Sources	0	500	0	500
Other Non-Operating Revenues	0	14,241	0	14,241
<i>Total Other Financing Receipts (Disbursements)</i>	<u>12,606</u>	<u>(135,259)</u>	<u>137,394</u>	<u>14,741</u>
<i>Net Change in Fund Cash Balances</i>	<u>(172,065)</u>	<u>579,412</u>	<u>137,394</u>	<u>544,741</u>
<i>Fund Cash Balances, January 1</i>	<u>3,188,836</u>	<u>3,222,861</u>	<u>12,606</u>	<u>6,424,303</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	3,802,273	150,000	3,952,273
Committed	11,000	0	0	11,000
Assigned	3,005,771	0	0	3,005,771
<i>Fund Cash Balances, December 31</i>	<u>\$3,016,771</u>	<u>\$3,802,273</u>	<u>\$150,000</u>	<u>\$6,969,044</u>

See accompanying notes to the financial statements

**PLAIN TOWNSHIP  
STARK COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Internal Service	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$730,154	\$0	\$730,154
Miscellaneous	48,675	0	48,675
<i>Total Operating Cash Receipts</i>	<u>778,829</u>	<u>0</u>	<u>778,829</u>
<b>Operating Cash Disbursements</b>			
Purchased Services	206,430	0	206,430
Claims	604,970	0	604,970
<i>Total Operating Cash Disbursements</i>	<u>811,400</u>	<u>0</u>	<u>811,400</u>
<i>Operating Income (Loss)</i>	<u>(32,571)</u>	<u>0</u>	<u>(32,571)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Other Non-Operating Revenues	0	55,770	55,770
Other Non-Operating Disbursements	0	(72,090)	(72,090)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>(16,320)</u>	<u>(16,320)</u>
<i>Net Change in Fund Cash Balances</i>	(32,571)	(16,320)	(48,891)
<i>Fund Cash Balances, January 1</i>	<u>532,208</u>	<u>22,628</u>	<u>554,836</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$499,637</u></u>	<u><u>\$6,308</u></u>	<u><u>\$505,945</u></u>

See accompanying notes to the financial statements

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**1. Description of The Entity**

The constitution and laws of the State of Ohio established in 1809 the rights and privileges of Plain Township, Stark County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer. The Township provides general governmental services, road and bridge maintenance, cemetery maintenance, zoning, several parks, fire protection and emergency medical services. The Township contracts with the Stark County Sheriff for police services.

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. This is a local government risk-sharing pool to provide risk management services, risk sharing facilities, and protection for every member of the Pool. Note 7 to the financial statements provides additional information for this entity.

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

**2. Summary Of Significant Accounting Policies**

**A. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**B. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**C. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**2. Summary Of Significant Accounting Policies (continued)**

**C. Fund Accounting (continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives non-voted millage and permit fees for constructing, maintaining, and repairing 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 firefighting equipment, buildings, sites and services for the operation of the Township Fire Department.

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

Ambulance and Emergency Medical Services - This fund receives payments from insurance companies and individuals for providing medical treatment and transportation of persons for medical purposes. Prior to 2012 the Township only billed non-residents for this service. In the later part of 2012, the Township started billing Township residents for the amount their insurance pays.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.. The Township had the following significant capital project funds:

Capital Projects – Schneider Park Restroom Fund – This fund receives transfers from the General Fund for the construction of Schneider Park Restroom. This fund was closed in 2015 with a balance of \$12,606.10, which was transferred back to the General Fund.

Capital Project -Fire Training 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 Truck & Related Equipment Fund – This fund receives transfers from the Fire District Fund for the purchase of a new fire truck and related equipment for the Fire Department.

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**2. Summary Of Significant Accounting Policies (continued)**

**C. Fund Accounting (continued)**

**4. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

Agency Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Townships agency fund accounts for deposits held for rental of Township buildings and insurance escrow deposits for fire losses.

**5. Internal Service Fund**

This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees and the County Budget Commission must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The Stark County Budget Commission must approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2015 budgetary activity appears in Note 4.

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**2. Summary Of Significant Accounting Policies (continued)**

**E. Fund Balance**

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

**1. Nonspendable**

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

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

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

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

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

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

**2. Summary Of Significant Accounting Policies (continued)**

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**3. Equity In Pooled Deposits And Investments**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015
Demand Deposits	(143,453)
Certificates of deposit	1,084,459
STAR Ohio Plus	3,093,566
Total deposits	4,034,572
STAR Ohio	715,417
Repurchase agreement	2,725,000
Total investments	3,440,417
Total deposits and investments	<u>\$7,474,989</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**4. Budgetary Activity**

Budgetary activity for the year ending 2015 is as follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,791,527	\$1,840,240	\$48,713
Special Revenue	10,880,101	10,928,936	48,835
Capital Projects	150,000	150,000	0
Internal Service	1,088,530	778,829	(309,701)
Agency	55,770	55,770	0
Total	<u>\$13,965,928</u>	<u>\$13,753,775</u>	<u>(\$212,153)</u>

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

**4. Budgetary Activity (continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,980,363	\$2,104,948	\$2,875,415
Special Revenue	14,102,962	10,438,867	3,664,095
Capital Projects	12,606	12,606	0
Internal Service	1,620,737	811,398	809,339
Agency	78,398	72,315	6,083
Total	\$20,795,066	\$13,440,134	\$7,354,932

The Zoning and Underground Storage Tank funds have been included in the General Fund for financial statement and budgetary presentation.

**5. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**6. Installment Purchase**

The Township entered into an installment purchase agreement for the purchase of a 2012 Case 621 Wheel Loader for the Road Department at a cost of \$137,216 in November 2012. This is a 5 Year Agreement, with the first payment due at signing and the last payment due in 2016

The remaining installment payment due as of December 31, 2015 is scheduled as follows:

Year Ending December 31: 2016	2012 Case 621 Wheel Loader <u>\$28,955</u>
Total	<u><u>\$28,955</u></u>

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**7. Retirement Systems**

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For January 1, 2015 through June 30, 2015 and July 1, 2015 through December 31, 2015 OP&F participants contributed 11.5% and 12.25% of their wages, respectively. For 2015, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. For most full-time employees contributing to OPERS, the Township has a "pick-up" of 3% of the employee's contribution. The Township has a "pick-up" of 3% of the full-time employee's contribution to OP&F for the Fire Chief and the Deputy Chief. The Township has paid all contributions required through December 31, 2015.

**8. 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 participated in the group rating program sponsored by the Ohio Township Association which was administered by Frank Gates.

**A. Risk Pool Membership**

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2015, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

**8. Risk Management (continued)**

**A. Risk Pool Membership (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, 2015.

	<u>2015</u>
Assets	\$37,313,311
Liabilities	8,418,518
Net Position	\$28,894,793

At December 31, 2015, the liabilities above include approximately \$7.8 million of estimated incurred claims payable. The assets above also include approximately \$7.7 million of unpaid claims to be billed to approximately 989 member governments in the future, as of December 31, 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township's share of these unpaid claims collectible in future years is approximately \$45,000.

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

**2015 Contributions to OTARMA**

\$85,162

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

**B. Self Insurance**

The Township is also self-insured for health insurance. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on an actuarially determined cost per employee. A comparison of Self Insurance Fund cash and investments to the actuarially-measured liability as of December 31 follows:

	<u>2015</u>
Cash and investments	\$499,637
Actuarial liabilities	\$63,531

The actuarial liabilities were calculated by Findley Davies 1300 East Ninth Street, Suite 850, Cleveland, Ohio 44134.

**Plain Township  
Stark County, Ohio  
Notes To The Financial Statements  
For The Year Ended December 31, 2015**

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**9. Interfund Transfers**

During 2015 the following transfers were made:

2015 Interfund Transfers		
Transfer to:	Transfers From	
	Special Revenue	Capital Projects
		Schneider Park Bathroom
General		\$12,606
Capital Projects:		
Fire Training Building	\$50,000	
Fire Truck	100,000	
Total	\$150,000	\$12,606

The Schneider Park Bathroom project was complete; therefore, remaining funds were transferred back to the fund that originally transferred the funds. The other transfers were made to fund reserves for anticipated capital expenditures of the Township.

**10. Subsequent Events**

Township residents approved a renewal of a tax of 2.25 mills and an increase of 2 mills to constitute a tax of 4.25 mills Police District Levy on November 8, 2016. This levy is expected to bring in an additional \$1,443,889 annually to the Police District (fund 09) over the next 5 years beginning in 2017.

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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 N.E.  
Canton, Ohio 44721

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Plain Township, Stark, (the Township) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated September 18, 2017 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509  
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001

[www.ohioauditor.gov](http://www.ohioauditor.gov)

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 18, 2017

**PLAIN TOWNSHIP  
STARK COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016 AND 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Misclassification on financial statements	Corrective Action Taken and Finding is Fully corrected	Finding 2014-001 has been reviewed and proper classification adjustments have been made.

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# Dave Yost • 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  
OCTOBER 5, 2017