



OHIO AUDITOR OF STATE  
**KEITH FABER**





**PLAIN TOWNSHIP  
STARK COUNTY  
DECEMBER 31, 2022 AND 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Plain Township, Stark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 13, 2024

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**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, 2022

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$532,050	\$13,725,848		\$14,257,898
Charges for Services		1,362,223		1,362,223
Licenses, Permits and Fees	736,827	35,640		772,467
Fines and Forfeitures	7,359			7,359
Intergovernmental	739,806	3,701,299		4,441,105
Special Assessments	42,076	56,614		98,690
Earnings on Investments	125,315	56,194		181,509
Miscellaneous	91,167	166,343		257,510
<i>Total Cash Receipts</i>	<u>2,274,600</u>	<u>19,104,161</u>	<u>0</u>	<u>21,378,761</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,445,943	705,505		2,151,448
Public Safety		9,215,199		9,215,199
Public Works		3,770,928		3,770,928
Health	191,980	4,527		196,507
Conservation-Recreation		901,871		901,871
Capital Outlay	454,213	1,020,000	164,550	1,638,763
<i>Total Cash Disbursements</i>	<u>2,092,136</u>	<u>15,618,030</u>	<u>164,550</u>	<u>17,874,716</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>182,464</u>	<u>3,486,131</u>	<u>(164,550)</u>	<u>3,504,045</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets		72,695		72,695
Transfers In		75,000	825,000	900,000
Transfers Out		(900,000)		(900,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(752,305)</u>	<u>825,000</u>	<u>72,695</u>
<i>Net Change in Fund Cash Balances</i>	182,464	2,733,826	660,450	3,576,740
<i>Fund Cash Balances, January 1</i>	<u>1,984,296</u>	<u>8,583,416</u>	<u>1,131,396</u>	<u>11,699,108</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,166,760</u>	<u>\$11,317,242</u>	<u>\$1,791,846</u>	<u>\$15,275,848</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 Fund Types  
 For the Year Ended December 31, 2022

	Proprietary Fund Type
	Internal Service
<b>Operating Cash Receipts</b>	
Charges for Services	\$775,793
<i>Total Operating Cash Receipts</i>	<i>775,793</i>
<b>Operating Cash Disbursements</b>	
Purchased Services	365,853
Claims	800,846
<i>Total Operating Cash Disbursements</i>	<i>1,166,699</i>
<i>Operating Income (Loss)</i>	<i>(390,906)</i>
<i>Fund Cash Balances, January 1</i>	<i>726,460</i>
<i>Fund Cash Balances, December 31</i>	<i>\$335,554</i>

**Plain Township**  
 Stark County  
 Combined Statement of Additions, Deductions  
 and Changes in Fund Balances (Regulatory Cash Basis)  
 All Fiduciary Fund Types  
 For the Year Ended December 31, 2022

	Fiduciary Fund Types
	Custodial
	Other Custodial
<b>Additions</b>	
Other Amounts Collected for Distribution	26,000
<i>Total Additions</i>	26,000
<b>Deductions</b>	
Distributions as Fiscal Agent	118,705
<i>Total Deductions</i>	118,705
<i>Net Change in Fund Balances</i>	(92,705)
<i>Fund Cash Balances, January 1</i>	137,428
<i>Fund Cash Balances, December 31</i>	\$44,723
<i>See accompanying notes to the financial statements</i>	

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**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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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 the 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 provides road and bridge maintenance, cemetery maintenance, several parks, zoning, 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. The Township also joined the Ohio Association Group Retro Plan (GRP) for workers' compensation. This is a risk pool that helps to minimize the Township's workers' compensation premium. Notes 6 and 11 to the financial statements provide additional information for these entities. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all 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.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

***Fund Accounting (continued)***

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.

American Rescue Plan (ARP) Fund - This fund was established by the Township during 2021. This fund receives allocations from the federal government in relation to the American Rescue Plan Act passed during 2021 in their continued response to the COVID-19 pandemic. Funding was utilized by the Township to further promote a healthy community environment.

***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:

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

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.

Police Vehicles & Equipment Fund – This fund receives transfers from the Police District Fund for the purchase of new police vehicles and equipment for the Police Department.

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

Fire Land/Building Acquisition/Construction Fund - This fund receives transfers from the Fire District Fund for the purpose of accumulating resources to acquire or construct new buildings and/or land.

***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 Custodial Funds.

Custodial 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 Township's custodial funds account for deposits held for the rental of Township buildings and insurance escrow deposits for fire losses.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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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 (C). 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 disclosures of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund 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 2022 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 or disbursements, respectively.

The Township values investments at cost. During the year, investments were limited to U.S. Treasury notes, U. S. Government agencies, certificates of deposit, commercial paper, and STAR Ohio, an investment pool managed by the State Treasurer's Office. 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*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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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:

***Non-spendable*** The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the non-spendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balances in the general fund is limited to encumbrances outstanding at year end.

***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. For regulatory purposes, limited disclosure related to fund balance is included in Note 12.



**Plain Township**  
**Stark County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,097,700	\$2,274,600	\$176,900
Special Revenue	20,811,125	19,251,856	(1,559,269)
Capital Projects	1,300,000	825,000	(475,000)
Internal Service	1,265,333	775,793	(489,540)
Custodial	0	26,000	26,000
Total	\$25,474,158	\$23,153,249	(\$2,320,909)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,082,497	\$2,624,870	\$1,457,627
Special Revenue	29,019,542	18,916,414	10,103,128
Capital Projects	2,906,396	264,402	2,641,994
Internal Service	1,991,793	1,166,699	825,094
Custodial	246,173	157,245	88,928
Total	\$38,246,401	\$23,129,629	\$15,116,772

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	<u>2022</u>
Demand deposits	\$1,803,858
Escrow Account	<u>38,540</u>
Total deposits	1,842,398
Fixed Income Securities	9,453,309
STAR Ohio	<u>4,360,418</u>
Total investments	<u>13,813,727</u>
<i>Total deposits and investments</i>	<u>\$15,656,125</u>

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

A financial institution's trust department holds the Township's investment securities in book-entry form 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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 – 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.

***Risk Pool Membership***

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

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

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6 – Risk Management (continued)**

***Risk Pool Membership (continued)***

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

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

***Self-Insurance***

The Township is also self-insured for employee 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, 2022 follows:

	<u>2022</u>
Cash and investments	\$335,554
Actuarial liabilities	\$109,137

The actuarial liabilities were calculated by USI Consulting Group - 1660 West Second Street, Suite 900, Cleveland, OH 44113.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

64 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022. For most full-time employees contributing to OPERS, the Township has a "pick-up" of 3 percent of the employee's contribution.

***Ohio Police and Fire Retirement System***

51 Township certified Fire Fighters belong to the Ohio 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 health care and survivor and disability benefits.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 7 – Defined Benefit Pension Plans (continued)**

***Ohio Police and Fire Retirement System (continued)***

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has a "pick-up" of 3 percent of the full-time employee's contribution to OP&F for the Fire Chief, Deputy Chief, and the Career Captain Communications/Safety. The Township has paid all contributions required through December 31, 2022.

***Social Security***

28 of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Construction and Contractual Commitments**

***Amphitheater***

The Township entered into a contractual agreement for \$3,013,492 with St Clair/Pavlis Group, Inc for the construction of a Township amphitheater.

**Note 10 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, the federal government. The grantor 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.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**Note 11 – Public Entity Risk Pool**

The Township joined the Ohio Association Group Retro Plan (GRP) for worker’s compensation in July 2019, effective January 1, 2020 and is still a member of this group. The pool’s business and affairs are administered by Sedgewick to achieve premium discounts or refunds based on the Township’s exposures, claims performance, and claims to minimize the Township’s workers’ compensation premium.

**Note 12 – Fund Balances**

Included in fund balance are encumbrances which are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Custodial	Total
Outstanding Encumbrances	532,734	2,398,384	99,852	38,540	3,069,510
Total	<u>\$532,734</u>	<u>\$2,398,384</u>	<u>\$99,852</u>	<u>\$38,540</u>	<u>\$3,069,510</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – American Rescue Plan**

During 2022, the Township received \$1,813,422 in American Rescue Plan funding which has been recorded in the applicable Special Revenue fund.

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**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, 2021

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$572,174	\$11,586,376		\$12,158,550
Charges for Services		1,405,652		1,405,652
Licenses, Permits and Fees	836,404	5,325		841,729
Fines and Forfeitures	18,401			18,401
Intergovernmental	460,029	4,146,169		4,606,198
Special Assessments	26,194	57,172		83,366
Earnings on Investments	199,144	4,505		203,649
Miscellaneous	206,365	302,537		508,902
<i>Total Cash Receipts</i>	<u>2,318,711</u>	<u>17,507,736</u>	<u>0</u>	<u>19,826,447</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,730,865	1,327,534		3,058,399
Public Safety		9,003,929	17,705	9,021,634
Public Works	3,028	4,163,095		4,166,123
Health	250	2,247		2,497
Conservation-Recreation	226,432	234,674		461,106
Capital Outlay	341,442	885,774	72,956	1,300,172
<i>Total Cash Disbursements</i>	<u>2,302,017</u>	<u>15,617,253</u>	<u>90,661</u>	<u>18,009,931</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>16,694</u>	<u>1,890,483</u>	<u>(90,661)</u>	<u>1,816,516</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets		10,670		10,670
Transfers In		750,000		750,000
Transfers Out		(750,000)		(750,000)
Other Financing Uses	(26,063)			(26,063)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(26,063)</u>	<u>10,670</u>	<u>0</u>	<u>(15,393)</u>
<i>Net Change in Fund Cash Balances</i>	(9,369)	1,901,153	(90,661)	1,801,123
<i>Fund Cash Balances, January 1</i>	<u>1,993,665</u>	<u>6,682,263</u>	<u>1,222,057</u>	<u>9,897,985</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,984,296</u></u>	<u><u>\$8,583,416</u></u>	<u><u>\$1,131,396</u></u>	<u><u>\$11,699,108</u></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 Fund Types  
 For the Year Ended December 31, 2021

	Proprietary Fund Type
	Internal Service
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,329,955
<i>Total Operating Cash Receipts</i>	<i>1,329,955</i>
<b>Operating Cash Disbursements</b>	
Contract Services	341,652
Claims	786,605
<i>Total Operating Cash Disbursements</i>	<i>1,128,257</i>
<i>Operating Income (Loss)</i>	<i>201,698</i>
<i>Fund Cash Balances, January 1</i>	<i>524,761</i>
<i>Fund Cash Balances, December 31</i>	<i>\$726,460</i>
<i>See accompanying notes to the financial statements</i>	



**Plain Township**  
 Stark County  
 Combined Statement of Additions, Deductions  
 and Changes in Fund Balances (Regulatory Cash Basis)  
 All Fiduciary Fund Types  
 For the Year Ended December 31, 2021

	Fiduciary Fund Types
	Custodial
	Other Custodial
<b>Additions</b>	
Other Amounts Collected for Distribution	\$41,492
<i>Total Additions</i>	41,492
<b>Deductions</b>	
Distributions of Deposits	6,667
<i>Total Deductions</i>	6,667
<i>Net Change in Fund Balances</i>	34,825
<i>Fund Cash Balances, January 1</i>	102,603
<i>Fund Cash Balances, December 31</i>	\$137,428
<i>See accompanying notes to the financial statements</i>	

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**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1-- Reporting Entity**

The constitution and laws of the State of Ohio establish 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 provides road and bridge maintenance, cemetery maintenance, zoning, several parks, fire protection and emergency medical services. The Township contracts with the Stark County Sheriff to provide police service.

***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. The Township also joined the Ohio Association Group Retro Plan (GRP) for workers' compensation. This is a risk pool that helps to minimize the Township's workers' compensation premium. Notes 6 and 9 to the financial statements provide additional information for these entities. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Fund Accounting (continued)**

**Special Revenue Funds (continued)**

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

**Capital Projects 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.

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

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.

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

Fire Land/Building Acquisition/Construction Fund - This fund receives transfers from the Fire District Fund for the purpose of accumulating resources to acquire or construct new buildings and/or land.

**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 custodial funds.

Custodial 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 Township's custodial funds account for deposits held for the rental of Township buildings and insurance escrow deposits for fire losses.

***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 (C). 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 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

**Plain  
Township  
Stark County**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2021*

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

***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 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 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 or disbursements, respectively.

The Township values investments at cost. During the year, investments were limited to U.S. Treasury notes, U.S. Government agencies, certificates of deposit, commercial paper, and STAR Ohio, an investment pool managed by the State Treasurer's Office. 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.

***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:

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Fund Balances (continued)**

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balances in the general fund is limited to encumbrances outstanding at year end.

***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. For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 -- Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,361,565	\$2,318,711	(\$42,854)
Special Revenue	17,784,162	18,268,406	484,244
Capital Projects	375,000	0	(375,000)
Internal Service	1,317,649	1,329,955	12,306
Custodial	75,000	41,492	(33,508)
Total	\$21,913,376	\$21,958,564	\$45,188

**Plain Township**  
**Stark County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 3 -- Budgetary Activity (continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,355,280	\$2,351,944	\$2,003,336
Special Revenue	24,198,128	16,766,146	7,431,982
Capital Projects	1,972,057	213,661	1,758,396
Internal Service	1,842,410	1,128,257	714,153
Custodial	177,603	115,412	62,191
<b>Total</b>	<b>\$32,545,478</b>	<b>\$20,575,420</b>	<b>\$11,970,058</b>

**Note 4 -- Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2021
Demand deposits	\$1,795,846
Fire Escrow	131,245
<b>Total deposits</b>	<b>1,927,091</b>
Fixed Income Securities	7,373,394
STAR Ohio	3,262,511
<b>Total investments</b>	<b>10,635,905</b>
<i><b>Total deposits and investments</b></i>	<b>\$12,562,996</b>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Investments**

A financial institution's trust department holds the Township's investment securities in book-entry form 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.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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- 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.

***Risk Pool Membership***

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

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

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

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444



**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 6- Risk Management (continued)**

***Self - Insurance***

The Township is also self-insured for employee 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, 2021 follows:

	<u>2021</u>
Cash and investments	\$726,460
Actuarial liabilities	\$134,885

**Note 7 –Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

63 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021. For most full-time employees contributing to OPERS, the Township has a "pick-up" of 3 percent of the employee's contribution.

***Ohio Police and Fire Retirement System***

49 Township certified Fire Fighters belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has a "pick-up" of 3 percent of the full-time employee's contribution to OP&F for the Fire Chief, Deputy Chief, and the Career Captain Communications/Safety. The Township has paid all contributions required through December 31, 2021.

***Social Security***

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

**Plain Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 8 – 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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 9 – Public Entity Risk Pool**

The Township joined the Ohio Association Group Retro Plan (GRP) for worker's compensation in July 2019, effective January 1, 2020 and is still a member of this group. The pool's business and affairs are administered by CareWorksComp, a Sedgewick Company to achieve premium discounts or refunds based on the Township's exposures, claims performance, and claims to minimize the Township's workers' compensation premium.

**Note 10 -- Fund Balances**

Included in fund balance are encumbrances which are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Custodial	Total
Outstanding Encumbrances	23,864	398,893	123,000	108,745	654,502
Total	<u>\$23,864</u>	<u>\$398,893</u>	<u>\$123,000</u>	<u>\$108,745</u>	<u>\$654,502</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Plain Township, Stark County, (the Township) and have issued our report thereon dated February 13, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 13, 2024

PLAIN TOWNSHIP  
STARK COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

1. Financial Reporting

FINDING NUMBER 2022-001

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

1. The following errors were noted during the audit of the 2022 and 2021 years:

- The Budgeted vs. Actual Receipts and Budgeted vs. Actual Budgetary Basis Expenditures tables of the Budgetary Activity note disclosure did not reflect or agree, by fund type, to the amounts in the client provided support documentation for the budgeted receipts, appropriation authority or budgetary expenditures columns.
- The respective years financial statements filed in the HINKLE system did not agree to the Township's accounting ledgers by line item category or in some cases by fund. This required adjusting and reclassification adjustments to the filed financial statements in order to agree to the accounting ledgers.
- The opening balances, by fund type, did not agree to the 2020 ending fund balances for the 2021 financial statements and the opening balances, by fund type, did not agree to the 2021 ending fund balances for the 2022 financial statements filed in the HINKLE System, respectively.
- The total ending fund balance reflected in the financial statements filed in the HINKLE System for both the 2021 and 2022 years did not agree to the total book balance in the Township's accounting system or bank reconciliation for the respective years.

2. In reviewing the 2022 financial statements, noted the following:

- Township's Fire Accumulated Benefits Fund (Fund 4908) and Fire Levy Reserve Fund (Fund 4909) were improperly reported as a Capital Projects Fund; instead of, a Special Revenue Fund in the Township's financial statements.
- Township's Zoning Fund (Fund 2181) and Underground Storage Tank Fund (Fund 2291) were improperly reported as a Special Revenue Fund; instead of, the General Fund in the Township's financial statements.

3. In reviewing the 2021 financial statements, noted the following:

- The Township financial statements did not report the Board-approved transfer out of \$375,000 from the Fire District Fund (Fund 10) and the related transfers in of \$175,000 and \$200,000 to the newly-established Fire Accumulated Benefits Fund (Fund 21P) and Fire Levy Reserved Fund (Fund 21Q), respectively.

All of the above errors have been adjusted to and are reflected within the accompanying financial statements.

The Township should review and update the financial statements and notes to the financial statements to reflect all required information, proper classifications and disclosures prior to submission.

**Official's Response:** We did not receive a response from Officials to this finding.

# OHIO AUDITOR OF STATE KEITH FABER



**PLAIN TOWNSHIP**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/21/2024**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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