



**PLAIN TOWNSHIP
STARK COUNTY**

DOCUMENT CONTENTS

TITLE

SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2020

REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019

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PLAIN TOWNSHIP
STARK COUNTY
DECEMBER 31, 2020

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OHIO AUDITOR OF STATE KEITH FABER



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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 Financial Statements

We have audited the accompanying 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 year ended December 31, 2020 and related notes of Plain Township, Stark County, Ohio (the Township).

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(C) 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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(C), 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(C) 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, 2020, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the 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 year ended December 31, 2020 and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

June 22, 2022

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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, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$341,426	\$11,475,703	\$0	\$11,817,129
Charges for Services	11,089	1,146,142	0	1,157,231
Licenses, Permits and Fees	748,292	5,650	0	753,942
Fines and Forfeitures	11,633	0	0	11,633
Intergovernmental	360,926	3,870,348	0	4,231,274
Special Assessments	0	64,478	0	64,478
Earnings on Investments	141,409	4,622	0	146,031
Miscellaneous	153,578	375,050	0	528,628
<i>Total Cash Receipts</i>	<u>1,768,353</u>	<u>16,941,993</u>	<u>0</u>	<u>18,710,346</u>
Cash Disbursements				
Current:				
General Government	1,474,999	832,116	0	2,307,115
Public Safety	0	8,583,153	0	8,583,153
Public Works	2,415	3,728,051	0	3,730,466
Health	182,453	2,537	0	184,990
Conservation-Recreation	229,655	124,399	0	354,054
Contract Services	2,500	0	0	2,500
Capital Outlay	238,032	2,047,533	749,916	3,035,481
<i>Total Cash Disbursements</i>	<u>2,130,054</u>	<u>15,317,789</u>	<u>749,916</u>	<u>18,197,759</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(361,701)</u>	<u>1,624,204</u>	<u>(749,916)</u>	<u>512,587</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	11,181	0	0	11,181
Transfers In	0	0	258,000	258,000
Transfers Out	0	(258,000)	0	(258,000)
Other Financing Sources	681	32,944	0	33,625
<i>Total Other Financing Receipts (Disbursements)</i>	<u>11,862</u>	<u>(225,056)</u>	<u>258,000</u>	<u>44,806</u>
<i>Net Change in Fund Cash Balances</i>	<u>(349,839)</u>	<u>1,399,148</u>	<u>(491,916)</u>	<u>557,393</u>
<i>Fund Cash Balances, January 1</i>	<u>2,343,504</u>	<u>5,283,115</u>	<u>1,713,973</u>	<u>9,340,592</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,993,665</u>	<u>\$6,682,263</u>	<u>\$1,222,057</u>	<u>\$9,897,985</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, 2020

	Proprietary Fund Type
	Internal Service
Operating Cash Receipts	
Charges for Services	\$1,159,354
<i>Total Operating Cash Receipts</i>	<i>1,159,354</i>
Operating Cash Disbursements	
Purchased Services	347,523
Claims	846,653
<i>Total Operating Cash Disbursements</i>	<i>1,194,176</i>
<i>Operating Income (Loss)</i>	<i>(34,822)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(34,822)</i>
<i>Fund Cash Balances, January 1</i>	<i>559,583</i>
<i>Fund Cash Balances, December 31</i>	<i>\$524,761</i>

See accompanying notes to the financial statements

Plain Township
Stark County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2020

	Fiduciary Fund Types
	Custodial
	Other Custodial
<i>Fund Cash Balances, January 1</i>	\$102,603
<i>Fund Cash Balances, December 31</i>	\$102,603

See accompanying notes to the financial statements

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Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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 6 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 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.

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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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.

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. This Capital project was completed and the fund was closed in 2020.

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 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.

Capital Equipment – 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.

Capital Equipment – 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.

Capital Project - 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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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 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 2020 budgetary activity appears in Note 3.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

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, STAR Plus, 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:

Non-spendable The Township classifies assets as *non-spendable* 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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

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 14.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,707,083	\$1,780,215	\$73,132
Special Revenue	16,564,665	16,974,937	410,272
Capital Projects	258,000	258,000	0
Internal Service	1,331,459	1,159,354	(172,105)
Custodial	75,000	0	(75,000)
Total	\$19,936,208	\$20,172,506	\$236,298

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,827,151	\$2,177,024	\$1,650,127
Special Revenue	21,738,198	16,153,719	5,584,479
Capital Projects	1,971,972	871,829	1,100,143
Internal Service	1,891,043	1,194,176	696,867
Custodial	177,603	96,520	81,083
Total	\$29,605,967	\$20,493,268	\$9,112,699

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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>2020</u>
Demand deposits	\$365,961
Star Ohio Plus	<u>2,500,553</u>
Total deposits	<u>2,866,514</u>
STAR Ohio	359,475
Cash Equivalents	21,727
Fixed Income Securities	<u>7,277,633</u>
Total investments	<u>7,658,835</u>
Total deposits and investments	<u><u>\$10,525,349</u></u>

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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

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, 2020 follows:

	<u>2020</u>
Cash and investments	\$524,761
Actuarial liabilities	\$125,829

The actuarial liabilities were calculated by Findley Davies 1660 West Second Street, Suite 900, Cleveland, Ohio 44113.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

61 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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans (continued)

Ohio Public Employees Retirement System (continued)

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, 2020. 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

50 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, 2020.

Social Security

21 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, 2020.

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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. 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 – Debt

Installment Purchases

The Township entered into an installment purchase agreement for the purchase of a 2016 Schwarze A7000 Tornado Regenerative Air Sweeper for the Road Department at a cost of \$192,901 in February 2016. This is a 5 Year Agreement, with the first payment due at signing and the last payment due in 2020.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (continued)

Installment Purchases (continued)

The Township entered into an installment purchase agreement for the purchase of Motorola Radio Communications Equipment (22 - APX6000 700/800 Model 2.5 Portable Radios) for the Police Department at a cost of \$110,143 in September 2017. This is a 3 Year Agreement, with the first payment due at September 2018 and the last payment due in 2020.

There are no remaining installment payments due as of December 31, 2020.

Note 10 – Transfers

The Township transferred funds from the Fire Levy (\$258,000) funds to Fire Capital funds for various projects related to fire functions.

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 CareWorksComp to achieve premium discounts, refunds based on the Townships exposures, claims performance, and claims to minimize the Townships workers' compensation premium.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$418,527 was distributed, through an application process, to other local organizations. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

Note 13 – Changes in Accounting Principle

For 2020, Plain Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change did not restate beginning cash balance in any fund type of the Township.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 14 – Fund Balance

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	Total
Outstanding Encumbrances	\$ 46,970	\$ 577,930	\$ 121,913	\$ 746,812

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

**PLAIN TOWNSHIP
STARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Pass Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	<u>\$1,714,479</u>
Total U.S. Department of Treasury			<u>1,714,479</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
COVID-19 Assistance to Firefighters Grant Program	97.044	EMW-2020-FG-01302	2,619
COVID-19 Assistance to Firefighters Grant Program	97.044	EMW-2019-FG-09511	<u>3,000</u>
Total U.S. Department of Homeland Security			<u>5,619</u>
Total Expenditures of Federal Awards			<u><u>\$1,720,098</u></u>

The accompanying notes are an integral part of this schedule.

**PLAIN TOWNSHIP
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Plain Township (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in net position of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D- MATCHING REQUIREMENTS

Certain Federal programs require the Township contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and related notes of Plain Township, Stark County, (the Township) and have issued our report thereon dated June 22, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 22, 2022

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Plain Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Plain Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Plain Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 22, 2022

**PLAIN TOWNSHIP
STARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, Unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus Relief Fund, CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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PLAIN TOWNSHIP
STARK COUNTY
DECEMBER 31, 2019

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OHIO AUDITOR OF STATE KEITH FABER



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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 Financial Statements

We have audited the accompanying 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 year ended December 31, 2019 and related notes of Plain Township, Stark County, Ohio (the Township).

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(C) 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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(C), 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(C) 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, 2019, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the 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 year ended December 31, 2019 and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

June 22, 2022

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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, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$486,407	\$10,909,540	\$0	\$11,395,947
Charges for Services	15,387	1,207,400	0	1,222,787
Licenses, Permits and Fees	741,937	5,200	0	747,137
Fines and Forfeitures	19,409	0	0	19,409
Intergovernmental	419,376	1,916,821	0	2,336,197
Special Assessments	0	60,211	0	60,211
Earnings on Investments	255,943	5,425	0	261,368
Gifts	12,219	1,625	0	13,844
Miscellaneous	124,044	104,506	0	228,550
<i>Total Cash Receipts</i>	<u>2,074,722</u>	<u>14,210,728</u>	<u>0</u>	<u>16,285,450</u>
Cash Disbursements				
Current:				
General Government	1,496,245	5,814	0	1,502,059
Public Safety	0	8,587,395	0	8,587,395
Public Works	2,568	3,528,909	0	3,531,477
Health	184,472	3,760	0	188,232
Conservation-Recreation	206,358	218,315	0	424,673
Capital Outlay	220,815	802,532	287,341	1,310,688
Contractual Service	2,500	0	0	2,500
<i>Total Cash Disbursements</i>	<u>2,112,958</u>	<u>13,146,725</u>	<u>287,341</u>	<u>15,547,024</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(38,236)</u>	<u>1,064,003</u>	<u>(287,341)</u>	<u>738,426</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	910	0	0	910
Transfers In	0	0	1,100,000	1,100,000
Transfers Out	0	(1,100,000)	0	(1,100,000)
Other Financing Sources	2,795	8,100	0	10,895
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,705</u>	<u>(1,091,900)</u>	<u>1,100,000</u>	<u>11,805</u>
<i>Net Change in Fund Cash Balances</i>	(34,531)	(27,897)	812,659	750,231
<i>Fund Cash Balances, January 1</i>	<u>2,378,035</u>	<u>5,311,012</u>	<u>901,314</u>	<u>8,590,361</u>
Fund Cash Balances, December 31				
Restricted	0	5,283,115	1,713,973	6,997,088
Committed	11,000	0	0	11,000
Assigned	2,119,312	0	0	2,119,312
Unassigned	213,192	0	0	213,192
<i>Fund Cash Balances, December 31</i>	<u>\$2,343,504</u>	<u>\$5,283,115</u>	<u>\$1,713,973</u>	<u>\$9,340,592</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, 2019

	Proprietary Fund Types
	Internal Service
Operating Cash Receipts	
Charges for Services	\$1,092,065
<i>Total Operating Cash Receipts</i>	1,092,065
Operating Cash Disbursements	
Purchased Services	309,479
Claims	828,497
<i>Total Operating Cash Disbursements</i>	1,137,976
<i>Operating Income (Loss)</i>	(45,911)
<i>Net Change in Fund Cash Balances</i>	(45,911)
<i>Fund Cash Balances, January 1</i>	605,494
<i>Fund Cash Balances, December 31</i>	\$559,583

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 Fiduciary Fund Types
For the Year Ended December 31, 2019

	Fiduciary Fund Types
	Agency
Operating Cash Receipts	
Charges for Services	\$0
<i>Total Operating Cash Receipts</i>	0
Operating Cash Disbursements	
Purchased Services	0
Claims	0
<i>Total Operating Cash Disbursements</i>	0
<i>Operating Income (Loss)</i>	0
Non-Operating Receipts (Disbursements)	
Other Non-Operating Receipts	102,480
Other Non-Operating Disbursements	(49,384)
<i>Total Non-Operating Receipts (Disbursements)</i>	53,096
<i>Net Change in Fund Cash Balances</i>	53,096
<i>Fund Cash Balances, January 1</i>	49,507
<i>Fund Cash Balances, December 31</i>	\$102,603

See accompanying notes to the financial statements

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Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 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 6 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.

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

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

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.

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 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.

Capital Equipment – 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.

Capital Equipment – 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.

Capital Project - 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.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Fiduciary Funds Fiduciary funds include agency funds.

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 Township's agency 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.

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 2019 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, STAR Plus, 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, 2019

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
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,048,775	\$2,078,427	\$29,651
Special Revenue	14,473,702	14,218,828	(254,874)
Capital Projects	1,100,000	1,100,000	0
Internal Service	1,389,107	1,092,065	(297,042)
Agency	102,480	102,480	0
Total	\$19,114,064	\$18,591,800	(\$522,265)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,198,855	\$2,171,388	\$2,027,467
Special Revenue	19,865,148	14,758,849	5,106,299
Capital Projects	3,751,314	395,058	3,356,256
Internal Service	1,794,602	1,137,976	656,626
Agency	124,507	145,904	(21,397)
Total	\$29,734,426	\$18,609,175	\$11,125,251

Note 4 – Deposits and Investments

The Township maintains a deposits 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:

	2019
Demand deposits	\$787,038
Star Ohio Plus	1,506
Total deposits	788,544
STAR Ohio	2,042,109
Cash Equivalents	153,209
Fixed Income Securities	7,018,916
Total investments	9,214,234
Total deposits and investments	\$10,002,778

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (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, 2019

Note 6 – Risk Management (continued)

Risk Pool Membership (continued)

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

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$10,519,942

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, 2019 follows:

	<u>2019</u>
Cash and investments	\$559,583
Actuarial liabilities	\$118,555

The actuarial liabilities were calculated by Findley 1660 West Second Street, Suite 900, Cleveland, Ohio 44113.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

60 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, 2019. 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

48 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, 2019.

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans (continued)

Social Security

26 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, 2019.

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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. 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 – Debt

Installment Purchases

The Township entered into an installment purchase agreement for the purchase of a 2016 Schwarze A7000 Tornado Regenerative Air Sweeper for the Road Department at a cost of \$192,901 in February 2016. This is a 5 Year Agreement, with the first payment due at signing and the last payment due in 2020.

The Township entered into an installment purchase agreement for the purchase of Motorola Radio Communications Equipment (22 - APX6000 700/800 Model 2.5 Portable Radios) for the Police Department at a cost of \$110,143 in September 2017. This is a 3 Year Agreement, with the first payment due at September 2018 and the last payment due in 2020.

The remaining installment payments due as of December 31, 2019 are as follows:

	2016	APX6000
Year Ending	Schwarze	Portable
December 31:	A7000 Street	Radios
	Sweeper	
2020	<u>\$40,501</u>	<u>\$36,715</u>
Total	<u><u>\$40,501</u></u>	<u><u>\$36,715</u></u>

Plain Township
Stark County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Transfers

The Township transferred funds from the Fire Levy (\$1,020,000) and Road & Bridge and Gas Tax (\$80,000) to Fire and Road Capital Funds for various projects related to fire and road functions.

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. The pool's business and affairs are administered by CareWorksComp to achieve premium discounts or refunds based on the Township's exposures, claims performance, and claims to minimize the Townships workers' compensation premium.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2019 and related notes of Plain Township, Stark County, (the Township) and have issued our report thereon dated June 22, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 22, 2022



PLAIN TOWNSHIP TRUSTEES

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April 26, 2022

Keith Faber

Auditor of State

6000 Frank Ave., Suite 154

North Canton, OH 44720

We are providing this letter in response to your findings on the 2017-2018 audit of Plain Township. The following changes or corrections have been implemented.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2020 and 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	2017 and 2018 - Financial Reporting	Fully Corrected	<ol style="list-style-type: none"> 1. Reviewed and updated the financial statements and notes to fairly present the financial statements free from material misstatements. 2. Worked with OTAS in 2019 to correct account mapping and switched to the UAN as of 01/01/2022. 3. Spent time reviewing receipts to ensure proper revenue classification.

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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 8/2/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov