



Dave Yost • Auditor of State



PLAIN TOWNSHIP  
WAYNE COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Plain Township  
Wayne County  
2445 South Elyria Road  
Wooster, Ohio 44691

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of Plain Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012.

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

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

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

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

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

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

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

As described in Note 1B of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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, 2013 and 2012, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Plain Township, Wayne County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



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

December 4, 2014

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 40,566	\$ 221,404	\$ 261,970
Intergovernmental	147,797	133,096	280,893
Special Assessments	-	7,489	7,489
Earnings on Investments	27	3	30
Miscellaneous	-	12,466	12,466
<i>Total Cash Receipts</i>	<u>188,390</u>	<u>374,458</u>	<u>562,848</u>
<b>Cash Disbursements</b>			
Current:			
General Government	97,267	2,850	100,117
Public Safety	-	119,400	119,400
Public Works	-	213,189	213,189
Health	16,722	-	16,722
Debt Service:			
Principal Retirement	-	31,713	31,713
Interest and Fiscal Charges	-	6,749	6,749
<i>Total Cash Disbursements</i>	<u>113,989</u>	<u>373,901</u>	<u>487,890</u>
<i>Excess of Cash Receipts Over Cash Disbursements</i>	<u>74,401</u>	<u>557</u>	<u>74,958</u>
<b>Other Financing Receipts</b>			
Other Financing Sources	1,691	-	1,691
<i>Total Other Financing Receipts</i>	<u>1,691</u>	<u>-</u>	<u>1,691</u>
<i>Net Change in Fund Cash Balances</i>	76,092	557	76,649
<i>Fund Cash Balances, January 1</i>	<u>105,301</u>	<u>247,106</u>	<u>352,407</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	247,663	247,663
Assigned	164,338	-	164,338
Unassigned (Deficit)	17,055	-	17,055
<i>Fund Cash Balances, December 31</i>	<u>\$ 181,393</u>	<u>\$ 247,663</u>	<u>\$ 429,056</u>

*The notes to the financial statements are an integral part of this statement.*

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 41,310	\$ 224,736	\$ 266,046
Intergovernmental	139,430	131,385	270,815
Special Assessments	-	5,253	5,253
Earnings on Investments	61	-	61
Miscellaneous	-	7,683	7,683
<i>Total Cash Receipts</i>	<u>180,801</u>	<u>369,057</u>	<u>549,858</u>
<b>Cash Disbursements</b>			
Current:			
General Government	117,630	-	117,630
Public Safety	-	104,991	104,991
Public Works	-	245,118	245,118
Health	2,500	-	2,500
Debt Service:			
Principal Retirement	-	64,142	64,142
Interest and Fiscal Charges	-	3,028	3,028
<i>Total Cash Disbursements</i>	<u>120,130</u>	<u>417,279</u>	<u>537,409</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>60,671</u>	<u>(48,222)</u>	<u>12,449</u>
<b>Other Financing Receipts</b>			
Other Financing Sources	3,129	-	3,129
<i>Total Other Financing Receipts</i>	<u>3,129</u>	<u>-</u>	<u>3,129</u>
<i>Net Change in Fund Cash Balances</i>	63,800	(48,222)	15,578
<i>Fund Cash Balances, January 1</i>	<u>41,501</u>	<u>295,328</u>	<u>336,829</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	247,106	247,106
Assigned	94,078	-	94,078
Unassigned	11,223	-	11,223
<i>Fund Cash Balances, December 31</i>	<u>\$ 105,301</u>	<u>\$ 247,106</u>	<u>\$ 352,407</u>

*The notes to the financial statements are an integral part of this statement.*

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. Summary of Significant Accounting Policies**

**A. Description of the Township**

The constitution and laws of the State of Ohio establish the rights and privileges of Plain Township, Wayne County, Ohio, (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, fire protection and emergency medical services. The Township contracts with the New Pittsburg Fire Department and the Jeromesville Community Fire District to provide fire services and Wooster Township to provide ambulance services.

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. This organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM). The plan provides liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. 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. Money Market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**D. Fund Accounting**

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

**1. General Fund**

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

PLAIN TOWNSHIP  
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted 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 property tax money for constructing, maintaining, and repairing Township roads and bridges.

Special Levy Fire Fund - This fund receives property tax money to pay for fire and EMS services.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. 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  
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

G. Property, Plant, and Equipment

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

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**H. 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.

**2. Equity in Pooled Deposits and Investments**

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

	2013	2012
Demand deposits	\$349,580	\$272,962
STAR Ohio	79,476	79,445
Total deposits and investments	\$429,056	\$352,407

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2013 and December 31, 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$68,800	\$190,081	\$121,281
Special Revenue	364,239	374,458	10,219
Total	\$433,039	\$564,539	\$131,500

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$162,871	\$113,989	\$48,882
Special Revenue	598,766	373,901	224,865
Total	\$761,637	\$487,890	\$273,747

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity (Continued)**

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,274	\$183,930	\$104,656
Special Revenue	338,503	369,057	30,554
Total	\$417,777	\$552,987	\$135,210

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,787	\$120,130	\$27,657
Special Revenue	606,818	417,279	189,539
Total	\$754,605	\$537,409	\$217,196

**4. Property Tax**

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

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

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

**5. Debt**

Debt outstanding at December 31, 2013 was as follows:

	Principal
Lease Purchase Agreement (Backhoe)	\$38,624
Lease Purchase Agreement (Truck)	110,413
Total	\$149,037

The Township entered into two lease purchase agreements to finance the purchase of a backhoe and a new dump truck for Township road maintenance. The Township's taxing authority collateralized the agreements.

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. Debt (Continued)**

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Lease- Purchase Agreement
2014	\$38,462
2015	38,462
2016	38,462
2017	24,509
2018	24,509
Total	\$164,404

**6. Retirement System**

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

**7. Risk Management**

**Risk Pool Membership**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**7. Risk Management (Continued)**

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2013.

	<b>2012</b>	<b>2013</b>
Assets	<u>\$13,100,381</u>	<u>\$13,774,304</u>
Liabilities	<u>(6,687,193)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Plain Township  
Wayne County  
2445 South Elyria Road  
Wooster, Ohio 44691

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 Plain Township, Wayne County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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. We consider findings 2013-001 through 2013-004 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matter we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2013-001 through 2013-003.

***Township's Response to Findings***

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



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

December 4, 2014

PLAIN TOWNSHIP  
WAYNE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012

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

FINDING NUMBER 2013-001

**Noncompliance and Material Weakness - Trustee Salary Allocations**

**Ohio Revised Code § 505.24 (C)** states in part, "By unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. If the office of trustee is held by more than one person during any calendar year, each person holding the office shall receive payments for only those months, and any fractions of those months, during which the person holds the office. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division, and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed. A board of township trustees that has adopted a salary method of compensation may return to a method of compensation on a per diem basis as specified in this division by a majority vote. Any change in the method of compensation shall be effective on the first day of January of the year following the year during which the board has voted to change the method of compensation."

Certifications must be completed prior to a trustee receiving his pay for that pay period. The certification must be done individually, but is not required to be notarized. The certification is not required to be a time log. Rather, all that is required is a statement detailing the percentage of time that the trustee/fiscal officer spent during that pay period providing services related to each fund to be charged.

For 2012, the Township Trustees were paid \$9,754 from the Road & Bridge fund. However, no salary certifications were completed to support being paid from a fund other than the General Fund.

The Township's accounting records and financial statements were adjusted to reallocate these salaries to the General fund.

We recommend the Township complete salary certifications to support the payroll allocations among funds, if they choose to charge funds other than the General Fund.

FINDING NUMBER 2013-002

**Noncompliance and Material Weakness – Debt Payments**

**Ohio Revised Code § 5705.05** provides the purpose and intent of the general levy for current expenses is to provide one general operating fund derived from taxation from which any expenditures for current expenses of any kind may be made. The taxing authority of a political subdivision may include in such levy the amounts required for carrying into effect any of the general or special powers granted by law to such subdivision, including the acquisition or construction of permanent improvements and the payment of judgments, but excluding the payment of debt charges and, in the case of counties, the construction, reconstruction, resurfacing, or repair of roads and bridges.

PLAIN TOWNSHIP  
WAYNE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

FINDING NUMBER 2013-002 (Continued)

Noncompliance and Material Weakness – Debt Payments (Continued)

Ohio Attorney General Opinion No. 81-035 also provides that certain moneys paid into the general fund which are not derived from a general levy for current expenses are placed in the general fund precisely because their use is not restricted. (See Ohio Rev. Code §5705.10). Such monies may be used to pay debt charges provided that they have not been commingled with general fund monies which may not be used for debt payment. Where otherwise unrestricted monies have been paid into the general fund and have been commingled with restricted monies to the extent that the particular source from which the monies originated cannot be distinguished, such monies may be used to pay debt charges only after they have been transferred to an appropriate fund pursuant to Ohio Rev. Code §5705.14.

The Township paid \$7,000 and \$20,976 of principal and interest payments out of the General Fund in 2013 and 2012, respectively. However, the unrestricted monies were commingled with general fund monies not to be used for debt payments. Therefore, we could not ensure only unrestricted monies were used for the debt payments.

The Township's accounting records and financial statements were adjusted to reallocate these debt payments to the Road & Bridge Fund.

We recommend that the Township review the Ohio Revised Code and debt agreements to ensure debt payments are paid from allowable funds.

FINDING NUMBER 2013-003

Noncompliance and Material Weakness – Revenue Posting Error

Ohio Rev. Code Section 5705.10 (C) provides that all revenue that is derived from a special levy is to be credited to a special fund for the purpose for which the levy is made. Additionally, section (D) states that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2013, \$1,168 of special assessment revenue was incorrectly recorded as General Fund taxes rather than special assessment receipts in the following special revenue funds:

<u>Fund</u>	<u>Amount</u>
Reed Street Special Assessment Fund	\$ 268
Jeff Street Special Assessment Fund	288
Funk Street Special Assessment Fund	266
Mill Street Special Assessment Fund	166
Blach Street Special Assessment Fund	180
<b>Total</b>	<b>\$1,168</b>

The Township's accounting records and financial statements were adjusted to properly post these revenues to the correct funds.

**PLAIN TOWNSHIP  
WAYNE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2013-003 (Continued)**

**Noncompliance and Material Weakness – Revenue Posting Error (Continued)**

The Township should exercise due care when posting transactions to help ensure receipts and disbursements are posted to the correct fund and account. Additionally, the Board of Trustees should review monthly receipt and disbursement activity reports to help ensure transactions are properly accounted for and classified. This will help to accurately reflect the Township's financial activity and aid in more accurate financial reporting.

**FINDING NUMBER 2013-004**

**Material Weakness - Financial Reporting**

As a result of the audit procedures performed, errors were noted in the financial statements that required proposed audit adjustments and reclassifications. The most significant proposed adjustments are as follows:

- During 2013 and 2012, \$164,338 and \$94,078, respectively, of General Fund Balance was incorrectly classified as Restricted and Committed, respectively, rather than Assigned Fund Balance.
- During 2013 and 2012, \$25,760 and \$44,444, respectively, of Special Revenue debt disbursements were incorrectly recorded as interest or public works disbursements rather than principal payment disbursements.
- During 2012, \$6,842 of Special Revenue fund Tangible Personal Property reimbursements were incorrectly recorded as tax receipts rather than intergovernmental receipts.

Adjustments were made to the financial statements for the mispostings identified above.

The Township should exercise due care when posting transactions to help ensure receipts and disbursements are posted to the correct fund and account. Additionally, the Board of Trustees should review monthly receipt and disbursement activity reports to help ensure transactions are properly accounted for and classified. This will help to accurately reflect the Township's financial activity and aid in more accurate financial reporting.

**Officials' Response to Findings above:** We will attempt to not make these same mistakes in the future.

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# Dave Yost • Auditor of State

**PLAIN TOWNSHIP**

**WAYNE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 13, 2015**