

***LAKE TOWNSHIP***

***STARK COUNTY***

Regular Audit

For the Years Ended December 31, 2023 and 2022





OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Board of Trustees  
Lake Township  
12360 Market Avenue North  
Hartville, OH 44632

We have reviewed the *Independent Auditor's Report* of Lake Township, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Lake Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

July 03, 2024

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**LAKE TOWNSHIP  
STARK COUNTY**

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**INDEPENDENT AUDITOR'S REPORT**

Lake Township  
Stark County  
12360 Market Avenue North  
Hartville, Ohio 44632

To the Board of Trustees:

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

***Unmodified and Adverse Opinions***

We have audited the financial statements of Lake Township, Stark County, Ohio (the Township), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position, thereof for the years then ended.

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

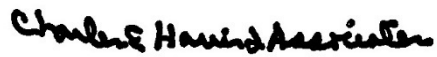
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 3, 2024

**Lake 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, 2023*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 226,789	\$ 8,156,054	\$ -	\$ -	\$ 8,382,843
Licenses, Permits and Fees	441,876	172,521	-	-	614,397
Fines and Forfeitures	148	855	-	-	1,003
Intergovernmental	486,250	1,321,420	-	-	1,807,670
Special Assessments	800	96,998	-	-	97,798
Payments in Lieu of Taxes	-	-	349,040	-	349,040
Earnings on Investments	63,868	7,352	-	-	71,220
Miscellaneous	28,071	65,658	-	-	93,729
<i>Total Cash Receipts</i>	<u>1,247,802</u>	<u>9,820,858</u>	<u>349,040</u>	<u>-</u>	<u>11,417,700</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,140,370	4,327	-	-	1,144,697
Public Safety	-	6,014,594	-	-	6,014,594
Public Works	-	4,388,141	-	-	4,388,141
Health	-	132,674	-	-	132,674
Human Services	25,000	-	-	-	25,000
Conservation-Recreation	1,000	-	-	-	1,000
Capital Outlay	41,384	967,757	-	31,304	1,040,445
Debt Service:					
Principal Retirement	-	-	229,316	-	229,316
Interest and Fiscal Charges	-	-	63,111	-	63,111
<i>Total Cash Disbursements</i>	<u>1,207,754</u>	<u>11,507,493</u>	<u>292,427</u>	<u>31,304</u>	<u>13,038,978</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>40,048</u>	<u>(1,686,635)</u>	<u>56,613</u>	<u>(31,304)</u>	<u>(1,621,278)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	100,689	-	-	100,689
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>100,689</u>	<u>-</u>	<u>-</u>	<u>100,689</u>
<i>Net Change in Fund Cash Balances</i>	40,048	(1,585,946)	56,613	(31,304)	(1,520,589)
<i>Fund Cash Balances, January 1</i>	<u>3,109,332</u>	<u>7,683,075</u>	<u>962,329</u>	<u>31,304</u>	<u>11,786,040</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,149,380</u>	<u>\$ 6,097,129</u>	<u>\$ 1,018,942</u>	<u>\$ -</u>	<u>\$ 10,265,451</u>

*See accompanying notes to the financial statements*

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Lake 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 general government services, including zoning, road and bridge maintenance, park maintenance, cemetery maintenance, and police protection. The Township contracts with the Greentown, Hartville and Uniontown Provide Fire Departments to provide fire protection services and emergency medical services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in a risk sharing pool and jointly government organizations. Notes 10 and 11 to the financial statements provide additional information for these entities.

**Public Entity Risk Pool:**

The Stark County Schools' Council of Governments (SCSCOG) is a consortium of school districts and related agencies serving the greater Stark County area. Established in 1987, the Stark County Schools' Council of Governments serves 130+ member schools, libraries, colleges, and related agencies. The Stark County Schools' council exists primarily for the promotion of cooperative agreements and contracts among its members and private persons, corporations and agencies. The council's main ventures are in the areas of insurance, workers' compensation and cooperative purchasing. Formed under ORC Section 167, the council is managed by a governing board and executive board.

**Jointly Governed Organizations:**

The Stark Council of Governments (SCOG) – This organization is a statutorily created political subdivision of Ohio for the purposes of providing a permanent forum for discussion of study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies.

The Stark County Regional Planning Commission (SCRPC) – This organization is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region.

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, which is organized on a fund type basis.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

***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:

***Police District Fund*** This fund receives property tax money and grant money for the purpose of funding the Uniontown Police Department.

***Fire District Fund*** This fund receives property tax money and money for emergency services for the purpose of funding the Township's fire and emergency management departments.

***Road and Bridge Fund*** This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

***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 fund:

***Capital Project Lake Township Recreation Complex Fund*** This fund accounts for monies to be used for the construction of a new recreation complex.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following Debt Service Fund:

***Special Assessment Bond Retirement Fund*** The special assessment bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 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 (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2023 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.

***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.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

***SBITAs***

The Township has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$14,241 are reflected as intergovernmental revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

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

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

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

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

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,001,019	\$ 1,247,802	\$ 246,783
Special Revenue	10,007,263	9,921,547	(85,716)
Debt Service	339,000	349,040	10,040
Capital Projects	-	-	-

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 4,003,256	\$ 1,207,754	\$ 2,795,502
Special Revenue	17,604,786	11,507,493	6,097,293
Debt Service	607,000	292,427	314,573
Capital Projects	31,304	31,304	-

**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:

	2023
Demand Deposits	\$ 8,615,451
Certificates of deposit	1,650,000
Total Deposits	\$ 10,265,451

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$9,064.75 in unremitted employee payroll withholdings

***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.

The Township's financial institution is a member of the OPCS and is approved for an aggregate collateral floor of 60%. At December 31, 2023, \$2,204,905 of Township deposits were not insured or collateralized.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 5 – Property Taxes**

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

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

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

**Note 6 – Risk Management**

***Commercial Insurance***

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Law Enforcement, and Public Officials; and
- Errors and omissions.

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

The Township also provides health, dental, vision, and life insurance coverage to full-time employees through a commercial insurance provider.

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township elected officials and 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.



**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 – Defined Benefit Pension Plans (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. OPERS members in Law Enforcement contributed 13 percent of their gross salaries and the Township contributed an amount equal to 18.10 percent of the participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
State Infrastructure Bank for SR 619	\$ 964,746	3%

The Township entered into a loan agreement with the State of Ohio, Ohio Department of Transportation (ODOT) for a State Infrastructure Bank (SIB) direct loan project for road improvements on State Route 619. The amount of the loan is \$2,006,000 for a term of 10 years and interest rate of 3%. The Township created a Tax Increment Financing District (TIF) and will pledge all TIF revenues or payments in Lieu of Taxes to repay the loan. As a secondary repayment source, the Township will pledge its State Gas Tax that is received on an annual basis and or agree to use all legally available funds to make up any semi-annual payment shortfalls.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 9 – Debt (continued)**

***Amortization***

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

<b>Year Ending December 31</b>	<b>SIB Loan</b>
2024	292,427
2025	292,427
2026	292,427
2027	146,213
	<u>\$ 1,023,494</u>

**Note 10 – Jointly Governed Organizations**

The Stark Council of Governments (SCOG) – The Council is a statutorily created political subdivision of Ohio for the purposes of providing a permanent forum for discussion of study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies. SCOG is a Regional Council of Governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG’s functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County and other cities, villages and townships. The membership elects a nine-member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Township’s continued participation nor does the Township have any equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Township. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

The Stark County Regional Planning Commission (SCRPC) – The Commission is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among Stark County and other cities, villages and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. This includes budgeting, appropriating, contracting and designating management. The Township has no financial responsibility for any of the Commission’s liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Canton, Ohio 44702.

**Lake Township**  
*Stark County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 11 – Public Entity Risk Pool**

The Township is a member of the Stark County Schools' Council of Governments (SCSCOG). SCSCOG is a consortium of school districts and related agencies serving the greater Stark County area. Established in 1987, the Stark County Schools' Council of Governments serves 130-member schools, libraries, colleges, and related agencies. The Stark County Schools' council exists primarily for the promotion of cooperative agreements and contracts among its members and private persons, corporations and agencies. The council's main ventures are in the areas of insurance, workers' compensation and cooperative purchasing. Formed under O.R.C. Section 167, the council is managed by a governing board and executive board.

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned. There were no outstanding encumbrances at year end.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Lake Township**  
*Stark County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 219,298	\$ 8,124,802	\$ -	\$ -	\$ 8,344,100
Licenses, Permits and Fees	454,231	159,964	-	-	614,195
Fines and Forfeitures	413	1,840	-	-	2,253
Intergovernmental	273,180	2,768,809	-	-	3,041,989
Special Assessments	-	97,784	-	-	97,784
Payments in Lieu of Taxes	-	-	338,974	-	338,974
Earnings on Investments	8,123	2,320	-	-	10,443
Miscellaneous	30,562	80,966	-	-	111,528
<i>Total Cash Receipts</i>	<u>985,807</u>	<u>11,236,485</u>	<u>338,974</u>	<u>-</u>	<u>12,561,266</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,023,435	-	-	-	1,023,435
Public Safety	-	5,569,325	-	-	5,569,325
Public Works	-	2,783,878	-	-	2,783,878
Health	36,348	129,906	-	-	166,254
Intergovernmental	-	25,224	-	-	25,224
Conservation-Recreation	820	-	-	-	820
Capital Outlay	1,445	329,549	-	89,657	420,651
Debt Service:					
Principal Retirement	-	-	214,470	-	214,470
Interest and Fiscal Charges	-	-	77,957	-	77,957
<i>Total Cash Disbursements</i>	<u>1,062,048</u>	<u>8,837,882</u>	<u>292,427</u>	<u>89,657</u>	<u>10,282,014</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(76,241)</u>	<u>2,398,603</u>	<u>46,547</u>	<u>(89,657)</u>	<u>2,279,252</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	13,000	-	-	13,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>13,000</u>
<i>Net Change in Fund Cash Balances</i>	(76,241)	2,411,603	46,547	(89,657)	2,292,252
<i>Fund Cash Balances, January 1</i>	<u>3,185,573</u>	<u>5,271,472</u>	<u>915,782</u>	<u>120,961</u>	<u>9,493,788</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,109,332</u>	<u>\$ 7,683,075</u>	<u>\$ 962,329</u>	<u>\$ 31,304</u>	<u>\$ 11,786,040</u>

*See accompanying notes to the financial statements*

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

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Lake 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 general government services, including zoning, road and bridge maintenance, park maintenance, cemetery maintenance, and police protection. The Township contracts with the Greentown, Hartville and Uniontown Provide Fire Departments to provide fire protection services and emergency medical services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in a risk sharing pool and jointly government organizations. Notes 10 and 11 to the financial statements provide additional information for these entities.

**Public Entity Risk Pool:**

The Stark County Schools' Council of Governments (SCSCOG) is a consortium of school districts and related agencies serving the greater Stark County area. Established in 1987, the Stark County Schools' Council of Governments serves 130+ member schools, libraries, colleges, and related agencies. The Stark County Schools' council exists primarily for the promotion of cooperative agreements and contracts among its members and private persons, corporations and agencies. The council's main ventures are in the areas of insurance, workers' compensation and cooperative purchasing. Formed under ORC Section 167, the council is managed by a governing board and executive board.

**Jointly Governed Organizations:**

The Stark Council of Governments (SCOG) – This organization is a statutorily created political subdivision of Ohio for the purposes of providing a permanent forum for discussion of study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies.

The Stark County Regional Planning Commission (SCRPC) – This organization is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region.

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, which is organized on a fund type basis.

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

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

***Fund Accounting***

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:

***Police District Fund*** This fund receives property tax money and grant money for the purpose of funding the Uniontown Police Department.

***Fire District Fund*** This fund receives property tax money and money for emergency services for the purpose of funding the Township's fire and emergency management departments.

***Road and Bridge Fund*** This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

***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 fund:

***Capital Project Lake Township Recreation Complex Fund*** This fund accounts for monies to be used for the construction of a new recreation complex.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following Debt Service Fund:

***Special Assessment Bond Retirement Fund*** The special assessment bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

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

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 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 (except certain custodial funds) be budgeted annually.

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

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

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

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***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.

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

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

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

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

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

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



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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 936,222	\$ 985,807	\$ 49,585
Special Revenue	11,451,503	11,249,485	(202,018)
Debt Service	295,000	338,974	43,974
Capital Projects	-	-	-

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 3,999,099	\$ 1,062,048	\$ 2,937,051
Special Revenue	16,373,371	8,837,882	7,535,489
Debt Service	856,995	292,427	564,568
Capital Projects	120,961	89,657	31,304

**Note 4 – Deposits**

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. A summary of the Township’s deposit accounts are as follows:

Demand Deposits	2022 \$ 11,786,040
Total Deposits	\$ 11,786,040

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$9,783.49 in unremitted employee payroll withholdings

***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.

The Township’s financial institution is a member of the OPCS and is approved for a 50% collateral pool. At December 31, 2022, \$4,103,988 of deposits were not insured or collateralized.

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

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**Note 5 – Property Taxes**

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

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

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

**Note 6 – Risk Management**

***Commercial Insurance***

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Law Enforcement, and Public Officials; and
- Errors and omissions.

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

The Township also provides health, dental, vision, and life insurance coverage to full-time employees through a commercial insurance provider.

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township elected officials and 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.

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

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

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. OPERS members in Law Enforcement contributed 13 percent of their gross salaries and the Township contributed an amount equal to 18.10% of the participants’ gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

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

**Note 9 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
State Infrastructure Bank for SR 619	\$ 1,194,062	3%

The Township entered into a loan agreement with the State of Ohio, Ohio Department of Transportation (ODOT) for a State Infrastructure Bank (SIB) direct loan project for road improvements on State Route 619. The amount of the loan is \$2,006,000 for a term of 10 years and interest rate of 3%. The Township created a Tax Increment Financing District (TIF) and will pledge all TIF revenues or payments in Lieu of Taxes to repay the loan. As a secondary repayment source, the Township will pledge its State Gas Tax that is received on an annual basis and or agree to use all legally available funds to make up any semi-annual payment shortfalls.

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

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**Note 9 – Debt (continued)**

***Amortization***

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

<b>Year Ending December 31</b>	<b>SIB Loan</b>
2023	292,427
2024	292,427
2025	292,427
2026	292,427
2027	146,213
	<u>\$1,315,921</u>

**Note 10 – Jointly Governed Organizations**

The Stark Council of Governments (SCOG) – This Council is a statutorily created political subdivision of Ohio for the purposes of providing a permanent forum for discussion of study of concerns of the county, cities, villages, and townships for development of policies and programs for implementation by one or more of the local governing bodies. SCOG is a Regional Council of Governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG’s functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by its membership, including Stark County and other cities, villages and townships. The membership elects a nine-member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is not dependent on the Township’s continued participation nor does the Township have any equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the Township. Complete financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

The Stark County Regional Planning Commission (SCRPC) – The Commission is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among Stark County and other cities, villages and townships. The principal aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. This includes budgeting, appropriating, contracting and designating management. The Township has no financial responsibility for any of the Commission’s liabilities. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Canton, Ohio 44702.

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

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**Note 11 – Public Entity Risk Pool**

The Township is a member of the Stark County Schools' Council of Governments (SCSCOG). SCSCOG is a consortium of school districts and related agencies serving the greater Stark County area. Established in 1987, the Stark County Schools' Council of Governments serves 130-member schools, libraries, colleges, and related agencies. The Stark County Schools' council exists primarily for the promotion of cooperative agreements and contracts among its members and private persons, corporations and agencies. The council's main ventures are in the areas of insurance, workers' compensation and cooperative purchasing. Formed under O.R.C. Section 167, the council is managed by a governing board and executive board.

**Note 12 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned. There were no outstanding encumbrances at year end.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Lake Township  
Stark County  
12360 Market Avenue North  
Hartville, Ohio 44632

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Lake Township, Stark County, (the Township) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated June 3, 2024, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a material weakness.

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

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


We also noted a certain other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 3, 2024.

***Township's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

***Purpose of this Report***

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



***Charles E. Harris and Associates, Inc.***  
June 3, 2024

**LAKE TOWNSHIP  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2023-001**

**Material Weakness – Financial Reporting**

The Township should have procedures and controls in place to prevent and detect errors in financial reporting. During 2023 and 2022, errors were noted in the Township’s financial statements that required audit adjustments and reclassifications, the most significant of which were as follows:

- The Township has a Special Revenue Fund- Reserved for General. It was funded in prior years by a transfer from the General Fund. For the audit report, this was reclassified into the General Fund balance as Committed Fund Balance per requirements by Government Accounting Standards Board (GASB) Statement No. 54 in the amount of \$107,069;
- Expenditures that were supposed to be classified as Public Safety expenditures were classified as Other Financing Uses in the amount of \$50,381 in 2023;
- Expenditures that were supposed to be classified as General Government expenditures were classified as Other Financing Uses in the amount of \$92,024 in 2023;
- Interest payments were classified as Principal payments in the amount of \$63,111 in 2023 and \$77,957 in 2022;
- Tax Increment Financing receipts were recorded as Special Assessments rather than Payments in Lieu of Taxes in the Debt Service Fund;
- The notes to the financial statements included outdated information and excluded required disclosures. The notes that were corrected included Summary of Significant Accounting Policies, Budgetary Activity, Deposits, Property Taxes, Risk Management, Defined Benefit Plans, Postemployment Benefits, Debt, Contingent Liabilities, Jointly Governed Organizations, Public Entity Risk Pool, Fund Balances and COVID-19.

The audited financial statements have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Township and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Township adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Ohio Township Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

**Management Response:**

See Corrective Action Plan.



**LAKE TOWNSHIP  
STARK County**

**Schedule of Prior Audit Findings  
For the Years Ended December 31, 2023 and 2022  
Prepared by Management**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Classification and Posting of Funds	Not Corrected	See Corrective Action Plan

**LAKE TOWNSHIP  
STARK COUNTY**

**CORRECTIVE ACTION PLAN  
For the Years Ended December 31, 2023 and 2022  
Prepared by Management**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2023-001	The Township will review financial statements at year end and make the suggested corrections.	Immediately	Mathew Erb, Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**LAKE 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 7/16/2024**

65 East State 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](http://www.ohioauditor.gov)