

VILLAGE OF LAKEMORE

SUMMIT COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2023



OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Lakemore
PO Box 455
Lakemore, OH 44250

We have reviewed the *Independent Auditor's Report* of the Village of Lakemore, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 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. The Village of Lakemore 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 15, 2024

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**VILLAGE OF LAKEMORE
SUMMIT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Lakemore
Summit County
P.O. Box 455
Lakemore, Ohio 44250

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinion

We have audited the financial statements of the Village of Lakemore, Summit County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2023, 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, proprietary and fiduciary fund type as of and for the year ended December 31, 2023, 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 Village, as of December 31, 2023, or the changes in financial position or cashflows thereof for the year then ended.

Basis for Opinion

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 Village, 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 opinion.

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 Village 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 Village'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 opinion. 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 Village'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 Village'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.


Supplementary Information

Our audit was conducted to opine on the financial statements as a whole. The Schedule of Expenditures of Federal Awards (Schedule) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2024, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 10, 2024

Village of Lakemore, Ohio
Summit County
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	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$100,314	\$387,658	\$0	\$0	\$487,972
Municipal Income Tax	898,853	0	0	122,908	1,021,761
Intergovernmental	428,985	951,538	0	120,000	1,500,523
Charges for Services	11,884	136,850	0	0	148,734
Fines, Licenses and Permits	95,509	0	0	0	95,509
Earnings on Investments	0	8	0	0	8
Miscellaneous	37,832	8,140	0	168	46,140
<i>Total Cash Receipts</i>	<u>1,573,377</u>	<u>1,484,194</u>	<u>0</u>	<u>243,076</u>	<u>3,300,647</u>
Cash Disbursements					
Current:					
Security of Persons and Property	749,611	798,495	0	0	1,548,106
Leisure Time Activities	49,196	218	0	0	49,414
Community Environment	13,998	0	0	120,000	133,998
Transportation	0	242,092	0	227,463	469,555
General Government	454,067	0	0	0	454,067
Capital Outlay	0	0	0	2,636,136	2,636,136
Debt Service:					
Principal Retirement	0	100	5,412,700	0	5,412,800
Interest and Fiscal Charges	0	0	83,257	0	83,257
<i>Total Cash Disbursements</i>	<u>1,266,872</u>	<u>1,040,905</u>	<u>5,495,957</u>	<u>2,983,599</u>	<u>10,787,333</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>306,505</u>	<u>443,289</u>	<u>(5,495,957)</u>	<u>(2,740,523)</u>	<u>(7,486,686)</u>
Other Financing Receipts (Disbursements)					
USDA Loan	0	0	5,400,000	0	5,400,000
Transfers In	0	100,000	95,957	0	195,957
Transfers Out	(195,957)	0	0	0	(195,957)
Other Financing Uses	(51,154)	0	0	0	(51,154)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(247,111)</u>	<u>100,000</u>	<u>5,495,957</u>	<u>0</u>	<u>5,348,846</u>
<i>Net Change in Fund Cash Balances</i>	59,394	543,289	0	(2,740,523)	(2,137,840)
<i>Fund Cash Balances, January 1</i>	<u>353,283</u>	<u>413,809</u>	<u>71,323</u>	<u>5,171,646</u>	<u>6,010,061</u>
<i>Fund Cash Balances, December 31</i>	<u>\$412,677</u>	<u>\$957,098</u>	<u>\$71,323</u>	<u>\$2,431,123</u>	<u>\$3,872,221</u>

See accompanying notes to the basic financial statements

Village of Lakemore, Ohio
Summit County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Proprietary Fund Type
	Enterprise Fund
Operating Cash Receipts	
Charges for Services	\$2,345,057
Fines, Licenses and Permits	331
	2,345,388
<i>Total Operating Cash Receipts</i>	<i>2,345,388</i>
Operating Cash Disbursements	
Personal Services	221,829
Employee Fringe Benefits	124,735
Contractual Services	741,028
Supplies and Materials	81,682
Other	1,368,827
	2,538,101
<i>Total Operating Cash Disbursements</i>	<i>2,538,101</i>
<i>Operating Income (Loss)</i>	<i>(192,713)</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	132,388
Other Debt Proceeds-OWDA	84,400
Miscellaneous Receipts	15,065
Principal Retirement	(45,336)
Interest and Other Fiscal Charges	(5,842)
	180,675
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>180,675</i>
<i>Net Change in Fund Cash Balances</i>	<i>(12,038)</i>
<i>Fund Cash Balances, January 1, Restated</i>	<i>1,022,374</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,010,336</i>

See accompanying notes to the basic financial statements

Village of Lakemore, Ohio
Summit County
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	Custodial Total
Additions	
Charges for Services	\$7,000
<i>Total Additions</i>	7,000
Deductions	
Other Distributions	8,337
<i>Total Deductions</i>	8,337
<i>Net Change in Fund Balances</i>	(1,337)
<i>Fund Cash Balances, January 1</i>	64,744
<i>Fund Cash Balances, December 31</i>	\$63,407

See accompanying notes to the basic financial statements

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Lakemore (the Village), Summit County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

Public Entity Risk Pools and Related Organizations

The Village participates in a public entity risk pool and is associated with a related organization. Notes 6, 12 and 13 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Fire and EMS Operating Levy Fund The Fire and EMS Operating Levy Fund accounts for and reports property taxes and charges for services restricted for fire and emergency medical services operations.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

General Obligation Bond Retirement Fund The general obligation bond retirement fund accounts for and reports proceeds of general obligation bonds. The proceeds are restricted for payment on two ambulances, two fire chase vehicles, and two police cruisers afforded from USDA funding.

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 Village had the following significant capital project fund:

Police Facility Capital Projects Fund The Police Facility Fund accounts for the renovation project on the Fire, Administration, and Department of Public Service Buildings afforded from USDA financing.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Trash Operating Fund The trash operating fund accounts for trash collection services to the residential users located within the Village. The costs of providing these services are financed primarily through user charges.

Storm Sewer Fund The storm sewer fund accounts for the provision of storm sewer infrastructure for the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund significant activity includes contractor deposits.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 Village 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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

The Village maintains a general checking account.

Capital Assets

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

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Leases and SBITAs

The Village is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

The Village 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 and various other software. Subscription disbursements are recognized when they are paid.

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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 Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 – Budgetary Activity

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

2023 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,490,205	\$ 1,573,377	\$ 83,172
Special Revenue	1,534,776	1,584,194	49,418
Debt Service	5,761,039	5,495,957	(265,082)
Capital Projects	220,000	243,076	23,076
Enterprise	2,655,000	2,577,241	(77,759)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,692,129	\$ 1,549,268	\$ 142,861
Special Revenue	1,121,899	1,048,516	73,383
Debt Service	5,867,249	5,495,957	371,292
Capital Projects	2,984,949	2,984,949	-
Enterprise	3,092,194	2,712,410	379,784

Note 4 – Deposits and Investments

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

	2023
Demand deposit	\$ 4,945,964

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

The Village does not have a payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. As December 31, 2023, the Village is holding \$0 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.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

Income Taxes

The Village levies a municipal income tax of 2.25 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The 0.25 percent is dedicated to the Capital Improvement Fund to afford road improvements and maintenance. The 2.00 percent remains dedicated to the General Fund.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022. (latest information available)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village 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.

Commercial Insurance

The Village provides life insurance to all full-time and part-time employees through Dearborne National. Each full-time employee is insured for \$10,000 while employed with the Village.

The Village provides health insurance to all full-time employees. During 2023, the health insurance was provided through SummaCare Insurance until October 31, 2023. The Village entered into a new plan with Medical Mutual from November 1, 2023 through October 31, 2024. Under the new plan with Medical Mutual, the Village offered optical and dental insurance but the premium cost is the employee's responsibility, not the Village's. Qualifying employees have to option to waive the health insurance and receive \$500 stipend annually. The Village created a spousal carve-out policy for those employees whose spouse can and/or does earn health insurance through their employer.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

The Village's certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2023.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. 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. OP&F contributes 0.5 percent to fund these benefits.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

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

	Principal	Interest
OWDA Loan Well #5	\$ 99,731	2.09%
OWDA Loan Asset Management	1,675	0.00%
OWDA Sanitary Sewer Evaluation Study	82,290	2.41%
OPWC Sanitarium Road Watermain CH11V	110,053	0.00%
OPWC Sanitarium and Ackers CH09X	2,700	0.00%
USDA 2017 Ambulance Bond - 54K	23,700	3.25%
USDA 2018 Ambulance Bond -74K	40,200	3.50%
Huntington Excavator Lease	60,954	3.58%
USDA Renovations Project - USDA Loan	5,400,000	2.25%
	\$ 5,821,303	

The Village received funds from OWDA to complete Well #5 in 2014 and to perform an asset management study in 2019. The Well #5 has a semi-annual payment of \$5,314 at 2.09% interest rate and the Asset Management has a semi-annual payment of \$838 at 0% interest rate.

The Village received loans from OWDA for Sanitary Sewer Evaluation Study for \$84,000. The semi-annual payment at 2.41% interest is \$2,110. The first payment commenced in July 2023. The amortization schedule is not yet available.

The Ohio Public Works Commission (OPWC) loan was obtained in 2019 for Sanitarium Road Water Main Improvement Ph II. The original amount of the loan was \$126,985 and has a term of 30 years and interest rate of 0%. The semi-annual payment is \$2,116.

In 2022, the Village initiated another loan from OPWC for Sanitarium Road and Ackers Avenue Roadway Improvements and was approved for total assistance amount of \$26,589. The project is still ongoing and the amount of the loan disbursed is \$20,004. The payments did not start until 2023. The loan has a term of 30 years and interest rate of 0%. As of December 31, 2023 the amortization schedule available is for the loan is the original drawdown of \$2,700 only.

The United States Development Authority (USDA) bonds are made up of a \$54,000 Ambulance Improvement Bond, Series 2017 and a \$74,000 Ambulance Improvement Bond, Series. The two ambulance bonds have a term of 10 years at interest rates of 3.25% and 3.50%, respectively.

In 2023, the Village received the USDA loan of \$5.4 million for the Fire Department, Police Department, Administration Offices and Department of Public Service Building Renovations Project. The loan has an interest rate of 2.25% and a term of 28 years. The annual payment is \$262,062. The loan will be paid from the Village income tax revenue through a transfer from the General Fund.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (continued)

In 2024, the Village will start another OWDA loan for a new water storage tower for \$3,559,722. The interest rate is 3.11% and the term is 30 years. As of December 31, 2023, no funds have been disbursed and payments will not start until July 2026.

Leases

The Village leases copiers from Blue Technologies. A total of \$2,325 was paid for the lease as of December 31, 2023.

Financed Purchases

The Village has entered into financed purchase agreements for an excavator equipment where ownership of the underlying asset transfers to the Village by the end of the contract. The Village disbursed \$32,519 for the excavator for the year ended December 31, 2023.

Amortization

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

Year Ending December 31:	OWDA Loan Well # 5	OWDA Asset Management Loan	OPWC Sanitarium Rd Watermain	OPWC Sanitarium and Ackers Rd*
2024	\$ 10,628	\$ 1,675	\$ 4,233	\$ 100
2025	10,628		4,233	100
2026	10,628		4,233	100
2027	10,628		4,233	100
2028	10,628		4,233	100
2029-2033	53,140		21,164	500
2034-2039	5,314		21,164	500
2039-2043			21,164	500
2044-2048			21,164	500
2049-2052			4,233	200
	<u>\$ 111,594</u>	<u>\$ 1,675</u>	<u>\$ 110,053</u>	<u>\$ 2,700</u>

Year Ending December 31:	USDA Ambulance Bond 74K	USDA Ambulance Bond 54K	Excavator Lease
2024	\$ 8,907	\$ 6,470	\$ 32,123
2025	8,945	6,385	32,123
2026	8,872	6,396	
2027	8,891	6,402	
2028-2032	8,901		
	<u>\$ 44,516</u>	<u>\$ 25,653</u>	<u>\$ 64,246</u>

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (continued)

Year Ending December 31:	USDA \$5.4 M Various Buildings Bond, Series 2023
2024	\$ 260,336
2025	262,039
2026	262,105
2027	261,998
2028	262,316
2029-2033	1,310,424
2034-2039	1,310,406
2039-2043	1,310,409
2044-2048	1,310,350
2049-2052	786,092
	\$ 7,336,475

Note 10 – Construction and Contractual Commitments

The Village construction contract with Cavanaugh Building Corporation for the renovation of fire, police, administration and public service building is expected to be completed in 2024.

Note 11 – Contingent Liabilities

The Village is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 13 – Related Organizations

The Village is a participant in ESID (Energy Special Improvement District, Inc) along with other communities to receive and provide funding for energy-improving projects for the community or commercial properties. This funding is based and paid through property tax assessments rather than a loan that can impact the financial rating of the community or commercial entity. The Village’s property taxes is assessed for the payment to the organization.

The Village is a participant in AMATS (Akron Metropolitan Area Transportation Study). Funding earmarked for transportation improvements from the federal government is managed by AMATS as the metropolitan planning organization. Funds are provided by and sought by AMATS for communities looking to improve safety of transportation.

The Village is a participant in the Greater Akron Chamber. The Village joined in 2020 to network with other agencies and receive the benefits as a member. The Village received a discount on health insurance with SummaCare as member of chamber.

Note 14 – 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. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 35,285	\$ 7,611	\$ 1,350	\$ 44,246
<i>Total</i>	<u>\$ 35,285</u>	<u>\$ 7,611</u>	<u>\$ 1,350</u>	<u>\$ 44,246</u>

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

Note 15 – Void Checks

In 2023, the fund balance in the Enterprise Fund was increased by \$17,611 due to void checks.

Note 16 – COVID-19

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

Village of Lakemore, Ohio
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 16 – COVID-19 (continued)

During 2022, the Village received the American Rescue Act grants for \$162,182. During 2023, there were no additional funds received. The Village used part of the funds distributed in 2022 in 2023 for payroll support and operating supplies and materials.

**VILLAGE OF LAKEMORE
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Prepared by Management)**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Direct Program</i>		
USDA Renovation Loan	10.766	\$2,636,136
USDA Loan for Ambulance	10.766	<u>15,308</u>
Total U.S. Department of Agriculture		<u>2,651,444</u>
U.S. DEPARTMENT OF TREASURY		
<i>Passed Through Ohio Department of Emergency Management Agency</i>		
American Rescue Plan - First Responder Grant Retention Inc	21.207	17,268
<i>Passed Through Ohio Office of Budget and Management</i>		
American Rescue Plan	21.207	20,000
<i>Passed Through Ohio Department of Public Safety</i>		
American Rescue Plan - First Responders Retention Incentiv	21.207	32,400
<i>Passed Through Treasurer, State of Ohio</i>		
American Rescue Plan	21.207	<u>56,257</u>
Total U.S. Department of Treasury		<u>125,925</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Passed Through Summit County</i>		
CDBG	14.218	<u>120,000</u>
Total U.S. Department of Housing and Urban Development		<u>120,000</u>
Total Expenditures of Federal Awards		<u><u>\$2,897,369</u></u>

The accompanying notes are an integral part of this schedule.

VILLAGE OF LAKEMORE
Summit County

Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Year Ended December 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Lakemore, Summit County, (the Village) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in the fund balances of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Lakemore
Summit County
P.O. Box 455
Lakemore, Ohio 44250

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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 of each governmental and proprietary fund type and the fiduciary fund type as of and for the year ended December 31, 2023 and the related notes to the financial statements of the Village of Lakemore, Summit County (the Village) and have issued our report thereon dated June 10, 2024, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures 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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider item 2023-001 to be a material weakness.

Village of Lakemore

Summit County

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of 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 determination of financial statement amounts. 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 matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 10, 2024.

Village's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying corrective action plan. The Village'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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.

June 10, 2024

5510 Pearl Road Ste 102

Parma, OH 44129-2527

Phone - (216) 575-1630

Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.

Certified Public Accountants

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

Village of Lakemore
Summit County
P.O. Box 455
Lakemore, Ohio 44250

To the Village Council:

Report on Compliance for the Major Federal Program

We have audited the Village of Lakemore, Summit County's (the Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the year ended December 31, 2023. The Village's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Village's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

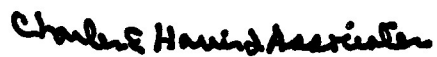
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 10, 2024

**VILLAGE OF LAKEMORE
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Adverse on GAAP, Unmodified on regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	USDA Renovation Loan – (AL# 10.766)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

VILLAGE OF LAKEMORE
SUMMIT COUNTY

SCHEDULE OF FINDINGS (continued)
DECEMBER 31, 2023

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

Finding Number 2023-001 - Material Weakness

During 2023, the Village erroneously recorded several transactions. The more significant items are as follows:

- In 2023, the principal payment of the \$5,412,700 loan to Huntington Bank was posted to interest and fiscal charges. This was reclassified to separate it from interest and fiscal charges and to show it as payment of principal.
- All the construction costs for the renovation of the administrative office, fire and police stations and community and service centers for \$2,636,136 were paid from the Debt Service Fund – Interest and Fiscal Charges. This was adjusted to capital outlay in the Capital Projects Fund.
- The principal payments of loans in the Enterprise Fund were posted to interest and fiscal payments.
- An OWDA loan of \$84,400 was not entered in the system.
- Various adjustments were necessary to correct errors or omissions in the notes to the financial statements.

Adjustments were made in the audited financial statements.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Village Officers' Handbook, the Uniform Accounting Network Manual, and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements. Also, they can use the footnote template on the Auditor of State's website for the most recent updates.

Management Response:

We did not receive a response from management to this finding.

3. FINDINGS FOR FEDERAL AWARDS

None.

VILLAGE OF LAKEMORE
SUMMIT COUNTY

Schedule of Prior Findings
(Prepared by Management)
December 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness – financial statement misclassifications	Not corrected	
2022-002	ORC Section 5705.39 Non-compliance - Appropriations exceeding estimated resources	Partially corrected	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LAKEMORE

SUMMIT 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 7/25/2024

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