

**LAKE TOWNSHIP  
STARK COUNTY  
Regular Audit  
December 31, 2007 and 2006**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of Lake Township, Stark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 23, 2008

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**LAKE TOWNSHIP  
STARK COUNTY**

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***Perry & Associates***  
**Certified Public Accountants, A.C.**

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 16, 2008

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

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lake Township, Stark County, Ohio**, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township has prepared these financial statements using the modified cash accounting basis. These practices differ from accounting principles generally accepted in the United States of America (GAAP).

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Township, Stark County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Road and Bridge, Police District, Fire District, and Road District Funds for 2007 and General, Road and Bridge, Police District, Fire District, Road District, and Emergency Medical Service Funds for 2006 thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2007 and 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

Lake Township  
Stark County  
Independent Accountants' Report  
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In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

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This discussion and analysis of Lake Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006 within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$722,758 or 29 percent, which allowed us to stay the course. The fund most affected by the increase in cash and cash equivalents was the Police fund, which realized the greatest burden of increased costs in 2007; however cost increases affected most funds.

The Township's largest general receipts are property taxes. These receipts represent 79 percent of the total cash received for governmental activities during the year.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$502,378 or 25 percent in 2006.

The Township's largest receipts are from property taxes. These receipts represent 77 percent of the total cash received for governmental activities during the year.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

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**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2007, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well, such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property tax.

Activities of the Township are listed in the statement of net assets and statement of activities.

**Governmental Activities** - The Township's basic services are reported here. Property tax, along with gasoline tax and other tax, finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

**Governmental Funds** - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds for 2007 are the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, and Road District Fund. The Township's major governmental funds for 2006 are the General Fund, Road and Bridge Fund, Police District Fund, Fire District Fund, Road District Fund, and Emergency Medical Services Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 and 2005 on a modified cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Investments	\$ 3,238,163	\$ 2,515,405	\$ 2,013,026
Total Assets	\$3,238,163	\$ 2,515,405	\$ 2,013,026
<b>Net Assets</b>			
Restricted for:			
Special Revenues	\$ 1,934,253	\$ 1,559,375	\$ 878,480
Capital Projects	900,000	200,000	244,860
Unrestricted	403,910	756,030	889,686
Total Net Assets	\$ 3,238,163	\$ 2,515,405	\$ 2,013,026

As mentioned previously, net assets of governmental activities increased \$722,758 or 29 percent during 2007, and \$502,379 or 25 percent during 2006. The primary reasons contributing to the increases in cash balances is the police fund.

Table 2 reflects the changes in net assets in 2007 and 2006 for governmental activities.

Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

(Table 2)  
**Changes in Net Assets**

	Governmental	
	Activities	
	2007	2006
Receipts:		
Program Receipts:		
Operating Grants and Contributions	\$ 927,686	\$ 838,504
Total Program Receipts	<u>927,686</u>	<u>838,504</u>
General Receipts:		
Property and Other Local Taxes	5,149,521	4,506,926
Grants and Entitlements Not Restricted to Specific Programs	476,903	423,478
Licenses, Permits and Fees	48,102	57,732
Cable Franchise Fees	144,528	134,960
Fines and Forfeitures	6,219	7,177
Special Assessments	83,852	83,593
Interest	208,048	162,671
Miscellaneous	65,763	72,697
Total General Receipts	<u>6,182,936</u>	<u>5,449,234</u>
Total Receipts	<u>7,110,622</u>	<u>6,287,738</u>
Disbursements:		
General Government	508,589	583,039
Public Safety	3,610,920	3,236,340
Public Works	1,644,486	1,577,535
Health	134,079	126,238
Conservation-Recreation	620	1,240
Capital Outlay	250,350	174,125
Principal	219,999	73,333
Interest	10,913	15,136
Other	7,908	-
Total Disbursements	<u>6,387,864</u>	<u>5,786,986</u>
Increase (Decrease) In Net Assets Before Transfers, Advances, and Other	<u>722,758</u>	<u>500,752</u>
Transfers In	886,922	577,860
Transfers Out	(886,922)	(577,860)
Advances In	1,000	1,000
Advances Out	(1,000)	(1,000)
Other Financing Sources	-	1,627
Increase (Decrease) in Net Assets	<u>722,758</u>	<u>502,379</u>
Net Assets, January 1,	2,515,405	2,013,026
Net Assets, December 31,	<u>\$ 3,238,163</u>	<u>\$ 2,515,405</u>

Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

Program receipts represent only 13 percent in 2007 and 2006 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 87 percent in 2007 and 2006 of the Township's total receipts, and of this amount, 83 percent in 2007 and 2006 are property and local taxes. State and federal grants and entitlements make up 8 percent in 2007 and 2006 of the balance of the Township's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the payroll costs of the Trustees and Fiscal Officer. These costs do not represent direct services to residents.

Public Safety is the costs of emergency medical and fire protection; Public Works are the cost of repairing and maintaining Township roads.

**Governmental Activities**

If you look at the "Statement of Activities- Modified Cash Basis" which is attached, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The next column of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government	\$ 508,589	\$ (460,120)	\$ 583,039	\$ (519,674)
Public Safety	3,610,920	(3,160,994)	3,236,340	(2,853,747)
Public Works	1,644,486	(1,128,748)	1,577,535	(1,053,751)
Health	134,079	(117,574)	126,238	(122,658)
Conservation-Recreation	620	(620)	1,240	(1,240)
Capital Outlay	250,350	(250,350)	174,125	(174,125)
Principal Retirement	219,999	(219,999)	73,333	(73,333)
Interest and Fiscal Charges	10,913	(10,913)	15,136	(15,136)
Other	7,908	(7,908)	-	-
<b>Total Expenses</b>	<b>\$ 6,387,864</b>	<b>\$(5,357,226)</b>	<b>\$ 5,786,986</b>	<b>\$(4,813,664)</b>

The dependence upon intergovernmental receipts is apparent as over 14 percent of governmental activities are supported through these general receipts.

Lake Township, Stark County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and December 31, 2006  
Unaudited

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**The Township's Funds**

During 2007 total governmental funds had receipts of \$7,110,622 and disbursements of \$6,387,864. Funding increases remained minimal for General, Road and Bridge, Fire District, Road District, Emergency Medical Service Debt Service, and Capital Projects Funds. Police District Fund shows a significant increase in funds of \$558,979 due mainly in part to the passing of a 2.8 mill levy.

General Fund receipts were \$326,043 over disbursements. Overall receipts were \$722,758 over disbursements during 2007 carried by the Police District.

During 2006 total governmental funds had receipts of 6,287,738 and disbursements of \$5,786,986.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the Police and Fire District Funds.

During 2007 and 2006, the Township amended its budget to reflect changing circumstances. Several amended certificates were requested during the year to cover increases in budget amounts. The difference between final budgeted receipts and actual receipts was not significant.

Receipts were more than expected and estimated receipts were increased. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the increase in fund balance of \$722,758 for 2007 and \$502,379 in 2006.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure.

**Debt**

The Township paid off outstanding debt as of December 31, 2007. The Township had a general obligation bond to finance the cost of acquiring real estate and the construction of a building to be used by the Township Road Department at the Midway Street site. The note is collateralized solely by the Township's taxing authority. The township makes payments on an annual basis.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on property taxes and have very little industry to support the tax base.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ben Sommers, Fiscal Officer, Lake Township, 12360 Market Street North, Hartville, Ohio 44632.

**Lake Township, Stark County**  
*Statement of Net Assets - Modified Cash Basis*  
*For the Year Ended December 31, 2007*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Investments	\$ 3,238,163
<i>Total Assets</i>	<u><u>3,238,163</u></u>
<b>Net Assets</b>	
Restricted for:	
Special Revenue	1,934,253
Capital Project	900,000
Unrestricted	<u>403,910</u>
<i>Total Net Assets</i>	<u><u>\$ 3,238,163</u></u>

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

**Lake Township, Stark County**  
*Statement of Activities - Modified Cash Basis*  
For the Year Ended December 31, 2007

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 508,589	\$ 48,469	\$ -	\$ (460,120)
Public Safety	3,610,920	-	449,926	(3,160,994)
Public Works	1,644,486	-	515,738	(1,128,748)
Health	134,079	16,505	-	(117,574)
Conservation-Recreation	620	-	-	(620)
Capital Outlay	250,350	-	-	(250,350)
Debt Service:				
Principal	219,999	-	-	(219,999)
Interest	10,913	-	-	(10,913)
Other	7,908	-	-	(7,908)
<i>Total Governmental Activities</i>	<u>\$ 6,387,864</u>	<u>\$ 64,974</u>	<u>\$ 965,664</u>	<u>\$ (5,357,226)</u>
<b>General Receipts</b>				
Property Taxes				4,911,245
Other Taxes				238,276
Grants and Entitlements not Restricted to Specific Programs				457,344
Licenses, Permits and Fees				144,528
Special Assessments				83,852
Interest				208,048
Miscellaneous				36,691
<i>Total General Receipts</i>				<u>6,079,984</u>
Change in Net Assets				<u>722,758</u>
<i>Net Assets Beginning of Year</i>				<u>2,515,405</u>
<i>Net Assets End of Year</i>				<u>\$ 3,238,163</u>

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



**Lake Township, Stark County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

	General	Road & Bridge	Police District	Fire District	Road District	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Cash Equivalents	\$ 500,522	\$ 574,815	\$ 545,399	\$ 111,653	\$ 94,485	\$ 1,411,289	\$ 3,238,163
<i>Total Assets</i>	<u>500,522</u>	<u>574,815</u>	<u>545,399</u>	<u>111,653</u>	<u>94,485</u>	<u>1,411,289</u>	<u>3,238,163</u>
<b>Fund Balances</b>							
Unreserved:							
General Fund	500,522	-	-	-	-	-	500,522
Special Revenue Funds	-	574,815	545,399	111,653	94,485	511,289	1,837,641
Capital Projects Funds	-	-	-	-	-	900,000	900,000
<i>Total Fund Balances</i>	<u>\$ 500,522</u>	<u>\$ 574,815</u>	<u>\$ 545,399</u>	<u>\$ 111,653</u>	<u>\$ 94,485</u>	<u>\$ 1,411,289</u>	<u>\$ 3,238,163</u>

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

**Lake Township, Stark County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2007

	General	Road & Bridge	Police District	Fire District	Road District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$ 120,477	\$ 861,512	\$ 1,246,775	\$ 1,588,375	\$ 652,691	\$ 679,691	\$ 5,149,521
Licenses, Permits and Fees	43,097	-	-	-	-	5,005	48,102
Cable Franchise Fees	144,528	-	-	-	-	-	144,528
Fines and Forfeitures	5,372	-	-	-	-	847	6,219
Intergovernmental	476,903	120,009	165,776	196,660	78,812	366,429	1,404,589
Special Assessments	-	-	-	-	-	83,852	83,852
Interest	194,656	-	-	-	-	13,392	208,048
Other	17,133	25,406	11,724	-	-	11,500	65,763
<i>Total Receipts</i>	<u>1,002,166</u>	<u>1,006,927</u>	<u>1,424,275</u>	<u>1,785,035</u>	<u>731,503</u>	<u>1,160,716</u>	<u>7,110,622</u>
<b>Disbursements</b>							
Current:							
General Government	508,589	-	-	-	-	-	508,589
Public Safety	29,150	-	946,750	1,962,635	-	672,385	3,610,920
Public Works	642	653,904	-	-	559,709	430,231	1,644,486
Health	129,214	-	-	-	-	4,865	134,079
Conservation-Recreation	620	-	-	-	-	-	620
Other	7,908	-	-	-	-	-	7,908
Capital Outlay	-	-	130,430	-	119,920	-	250,350
Debt Service:							
Principal Retirement	-	46,227	-	-	100,000	73,772	219,999
Interest and Fiscal Charges	-	-	-	-	-	10,913	10,913
<i>Total Disbursements</i>	<u>676,123</u>	<u>700,131</u>	<u>1,077,180</u>	<u>1,962,635</u>	<u>779,629</u>	<u>1,192,166</u>	<u>6,387,864</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>326,043</u>	<u>306,796</u>	<u>347,095</u>	<u>(177,600)</u>	<u>(48,126)</u>	<u>(31,450)</u>	<u>722,758</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	99,500	-	-	787,422	886,922
Transfers Out	(700,000)	(87,422)	(99,500)	-	-	-	(886,922)
Advances In	1,000	-	-	-	-	-	1,000
Advances Out	-	-	-	-	-	(1,000)	(1,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(699,000)</u>	<u>(87,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,422</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(372,957)</u>	<u>219,374</u>	<u>347,095</u>	<u>(177,600)</u>	<u>(48,126)</u>	<u>754,972</u>	<u>722,758</u>
<i>Fund Balances Beginning of Year</i>	<u>873,479</u>	<u>355,441</u>	<u>198,304</u>	<u>289,253</u>	<u>142,611</u>	<u>656,317</u>	<u>2,515,405</u>
<i>Fund Balances End of Year</i>	<u>\$ 500,522</u>	<u>\$ 574,815</u>	<u>\$ 545,399</u>	<u>\$ 111,653</u>	<u>\$ 94,485</u>	<u>\$ 1,411,289</u>	<u>\$ 3,238,163</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 107,847	\$ 120,477	\$ 120,477	\$ -
Licenses, Permits and Fees	193,000	187,624	187,625	1
Fines and Forfeitures	5,700	5,372	5,372	-
Intergovernmental	468,171	476,903	476,903	-
Interest	193,183	193,183	194,656	1,473
Other	1,296	17,071	17,133	62
<i>Total receipts</i>	<u>969,197</u>	<u>1,000,630</u>	<u>1,002,166</u>	<u>1,536</u>
<b>Disbursements</b>				
Current:				
General Government	679,968	508,589	508,589	-
Public Safety	-	29,150	29,150	-
Public Works	-	642	642	-
Health	127,000	129,214	129,214	-
Conservation-Recreation	-	620	620	-
Other	285,140	285,140	7,908	277,232
Capital Outlay	1,000	1,000	-	1,000
<i>Total Disbursements</i>	<u>1,093,108</u>	<u>954,355</u>	<u>676,123</u>	<u>278,232</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(123,911)</u>	<u>46,275</u>	<u>326,043</u>	<u>279,768</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(300,000)	(700,000)	(700,000)	-
Advances In	1,000	1,000	1,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>(299,000)</u>	<u>(699,000)</u>	<u>(699,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(422,911)	(652,725)	(372,957)	279,768
<i>Fund Balance Beginning of Year</i>	<u>733,479</u>	<u>733,479</u>	<u>873,479</u>	<u>140,000</u>
<i>Fund Balance End of Year</i>	<u>\$ 310,568</u>	<u>\$ 80,754</u>	<u>\$ 500,522</u>	<u>\$ 419,768</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 763,040	\$ 861,503	\$ 861,512	\$ 9
Intergovernmental	108,000	120,009	120,009	-
Other	6,438	25,166	25,406	240
<i>Total receipts</i>	<u>877,478</u>	<u>1,006,678</u>	<u>1,006,927</u>	<u>249</u>
<b>Disbursements</b>				
Current:				
Public Works	755,000	653,904	653,904	-
Other	175,000	175,000	-	175,000
Capital Outlay	129,000	129,200	-	129,200
Debt Service:				
Principal Retirement	-	46,227	46,227	-
<i>Total Disbursements</i>	<u>1,059,000</u>	<u>1,004,331</u>	<u>700,131</u>	<u>304,200</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(181,522)</u>	<u>2,347</u>	<u>306,796</u>	<u>304,449</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(59,500)	(87,422)	(87,422)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(59,500)</u>	<u>(87,422)</u>	<u>(87,422)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(241,022)	(85,075)	219,374	304,449
<i>Fund Balance Beginning of Year</i>	<u>355,441</u>	<u>355,441</u>	<u>355,441</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 114,419</u>	<u>\$ 270,366</u>	<u>\$ 574,815</u>	<u>\$ 304,449</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Police District Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,200,224	\$ 1,246,419	\$ 1,246,775	\$ 356
Intergovernmental	180,000	165,750	165,776	26
Other	10,945	11,300	11,724	424
<i>Total receipts</i>	<u>1,391,169</u>	<u>1,423,469</u>	<u>1,424,275</u>	<u>806</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,114,973	946,750	946,750	-
Other	275,000	275,000	-	275,000
Capital Outlay	100,000	130,430	130,430	-
<i>Total Disbursements</i>	<u>1,489,973</u>	<u>1,352,180</u>	<u>1,077,180</u>	<u>275,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(98,804)</u>	<u>71,289</u>	<u>347,095</u>	<u>275,806</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	99,500	99,500
Transfers Out	(99,500)	(99,500)	(99,500)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(99,500)</u>	<u>(99,500)</u>	<u>-</u>	<u>99,500</u>
<i>Net Change in Fund Balance</i>	(198,304)	(28,211)	347,095	375,306
<i>Fund Balance Beginning of Year</i>	198,304	198,304	198,304	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 170,093</u>	<u>\$ 545,399</u>	<u>\$ 375,306</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Fire District Fund  
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,545,969	\$ 1,588,369	\$ 1,588,375	\$ 6
Intergovernmental	194,000	196,600	196,660	60
<i>Total receipts</i>	<u>1,739,969</u>	<u>1,784,969</u>	<u>1,785,035</u>	<u>66</u>
<b>Disbursements</b>				
Current:				
Public Safety	<u>2,029,222</u>	<u>2,074,222</u>	<u>1,962,635</u>	<u>111,587</u>
<i>Total Disbursements</i>	<u>2,029,222</u>	<u>2,074,222</u>	<u>1,962,635</u>	<u>111,587</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(289,253)</u>	<u>(289,253)</u>	<u>(177,600)</u>	<u>111,653</u>
<i>Fund Balance Beginning of Year</i>	<u>289,253</u>	<u>289,253</u>	<u>289,253</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,653</u>	<u>\$ 111,653</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road District Fund*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 631,608	\$ 652,600	\$ 652,691	\$ 91
Intergovernmental	79,000	78,808	78,812	4
<i>Total receipts</i>	<u>710,608</u>	<u>731,408</u>	<u>731,503</u>	<u>95</u>
<b>Disbursements</b>				
Current:				
Public Safety	-	-	-	-
Public Works	648,219	559,709	559,709	-
Other	30,000	30,000	-	30,000
Capital Outlay	175,000	175,000	119,920	55,080
Debt Service:				
Principal Retirement	-	100,000	100,000	-
<i>Total Disbursements</i>	<u>853,219</u>	<u>864,709</u>	<u>779,629</u>	<u>85,080</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(142,611)</u>	<u>(133,301)</u>	<u>(48,126)</u>	<u>85,175</u>
<i>Net Change in Fund Balance</i>	(142,611)	(133,301)	(48,126)	85,175
<i>Fund Balance Beginning of Year</i>	<u>142,611</u>	<u>142,611</u>	<u>142,611</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 9,310</u>	<u>\$ 94,485</u>	<u>\$ 85,175</u>

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

**Lake Township, Stark County**  
*Statement of Net Assets - Modified Cash Basis*  
*For the Year Ended December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Investments	<u>\$ 2,515,405</u>
<i>Total Assets</i>	<u><u>2,515,405</u></u>
<b>Net Assets</b>	
Restricted for:	
Special Revenue	1,559,375
Capital Project	200,000
Unrestricted	<u>756,030</u>
<i>Total Net Assets</i>	<u><u>\$ 2,515,405</u></u>

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



**Lake Township, Stark County**  
*Statement of Activities - Modified Cash Basis*  
*For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 583,039	\$ 63,365	\$ -	\$ (519,674)
Public Safety	3,236,340	-	382,593	(2,853,747)
Public Works	1,577,535	-	523,784	(1,053,751)
Health	126,238	3,580	-	(122,658)
Conservation-Recreation	1,240	-	-	(1,240)
Capital Outlay	174,125	-	-	(174,125)
Debt Service:				
Principal	73,333	-	-	(73,333)
Interest	15,136	-	-	(15,136)
<i>Total Governmental Activities</i>	<u>\$ 5,786,986</u>	<u>\$ 66,945</u>	<u>\$ 906,377</u>	<u>\$ (4,813,664)</u>
<b>General Receipts</b>				
Property Taxes				4,212,476
Other Taxes				294,450
Grants and Entitlements not Restricted to Specific Programs				408,975
Licenses, Permits and Fees				134,960
Special Assessments				83,593
Interest				162,671
Miscellaneous				17,291
<i>Total General Receipts</i>				<u>5,314,416</u>
Other Financing Sources				1,627
<i>Total General Receipts and Other Sources</i>				<u>5,316,043</u>
Change in Net Assets				<u>502,379</u>
<i>Net Assets Beginning of Year</i>				<u>2,013,026</u>
<i>Net Assets End of Year</i>				<u>\$ 2,515,405</u>

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

**Lake Township, Stark County**  
*Statement of Modified Cash Basis Assets and Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2006

	General	Road & Bridge	Police District	Fire District	Road District	Emergency Med Serv.	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and Cash Equivalents	\$ 873,479	\$ 355,441	\$ 199,304	\$ 289,253	\$ 142,611	\$ 30,453	\$ 624,864	\$ 2,515,405
<i>Total Assets</i>	<u>873,479</u>	<u>355,441</u>	<u>199,304</u>	<u>289,253</u>	<u>142,611</u>	<u>30,453</u>	<u>624,864</u>	<u>2,515,405</u>
<b>Fund Balances</b>								
Unreserved:								
General Fund	873,479	-	-	-	-	-	-	873,479
Special Revenue Funds:	-	355,441	199,304	289,253	142,611	30,453	424,864	1,441,926
Capital Projects Funds	-	-	-	-	-	-	200,000	200,000
<i>Total Fund Balances</i>	<u>\$ 873,479</u>	<u>\$ 355,441</u>	<u>\$ 199,304</u>	<u>\$ 289,253</u>	<u>\$ 142,611</u>	<u>\$ 30,453</u>	<u>\$ 624,864</u>	<u>\$ 2,515,405</u>

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

**Lake Township, Stark County**  
*Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances*  
 Governmental Funds  
 For the Year Ended December 31, 2006

	General	Road & Bridge	Police District	Fire District	Road District	Emergency Med Serv.	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and Other Local Taxes	\$ 107,617	\$ 759,928	\$ 750,310	\$ 1,541,040	\$ 627,207	\$ 578,610	\$ 142,214	\$ 4,506,926
Licenses, Permits and Fees	57,732	-	-	-	-	-	-	57,732
Cable Franchise Fees	134,960	-	-	-	-	-	-	134,960
Fines and Forfeitures	5,633	-	-	-	-	-	1,544	7,177
Intergovernmental	423,478	115,533	100,778	209,943	89,197	78,770	244,283	1,261,982
Special Assessments	-	-	-	-	-	-	83,593	83,593
Interest	153,822	-	-	-	-	-	8,849	162,671
Other	13,530	29,802	14,208	-	13,191	-	1,966	72,697
<i>Total Receipts</i>	<u>896,772</u>	<u>905,263</u>	<u>865,296</u>	<u>1,750,983</u>	<u>729,595</u>	<u>657,380</u>	<u>482,449</u>	<u>6,287,738</u>
<b>Disbursements</b>								
Current:								
General Government	583,039	-	-	-	-	-	-	583,039
Public Safety	-	-	840,918	1,752,105	-	643,317	-	3,236,340
Public Works	634	806,522	-	-	489,529	-	280,850	1,577,535
Health	121,129	-	-	-	-	-	5,109	126,238
Conservation-Recreation	1,240	-	-	-	-	-	-	1,240
Capital Outlay	7,565	-	-	-	116,560	-	50,000	174,125
Debt Service:								
Principal Retirement	-	-	-	-	-	-	73,333	73,333
Interest and Fiscal Charges	-	-	-	-	-	-	15,136	15,136
<i>Total Disbursements</i>	<u>713,607</u>	<u>806,522</u>	<u>840,918</u>	<u>1,752,105</u>	<u>606,089</u>	<u>643,317</u>	<u>424,428</u>	<u>5,786,986</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>183,165</u>	<u>98,741</u>	<u>24,378</u>	<u>(1,122)</u>	<u>123,506</u>	<u>14,063</u>	<u>58,021</u>	<u>500,752</u>
<b>Other Financing Sources (Uses)</b>								
Transfers In	140,000	-	1,000	195,860	-	-	241,000	577,860
Transfers Out	(340,000)	(41,000)	(1,000)	-	-	-	(195,860)	(577,860)
Advances In	-	-	-	-	-	-	1,000	1,000
Advances Out	(1,000)	-	-	-	-	-	-	(1,000)
Other Financing Sources	1,627	-	-	-	-	-	-	1,627
<i>Total Other Financing Sources (Uses)</i>	<u>(199,373)</u>	<u>(41,000)</u>	<u>-</u>	<u>195,860</u>	<u>-</u>	<u>-</u>	<u>46,140</u>	<u>1,627</u>
<i>Net Change in Fund Balances</i>	<u>(16,208)</u>	<u>57,741</u>	<u>24,378</u>	<u>194,738</u>	<u>123,506</u>	<u>14,063</u>	<u>104,161</u>	<u>502,379</u>
<i>Fund Balances Beginning of Year</i>	<u>889,687</u>	<u>297,700</u>	<u>174,926</u>	<u>94,515</u>	<u>19,105</u>	<u>16,390</u>	<u>520,703</u>	<u>2,013,026</u>
<i>Fund Balances End of Year</i>	<u>\$ 873,479</u>	<u>\$ 355,441</u>	<u>\$ 199,304</u>	<u>\$ 289,253</u>	<u>\$ 142,611</u>	<u>\$ 30,453</u>	<u>\$ 624,864</u>	<u>\$ 2,515,405</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 71,331	\$ 107,617	\$ 107,617	\$ -
Licenses, Permits and Fees	196,000	192,692	192,692	-
Fines and Forfeitures	-	-	-	-
Intergovernmental	5,633	5,633	5,633	-
Special Assessments	421,644	423,478	423,478	-
Interest	153,000	153,822	153,822	-
Other	19,820	13,530	13,530	-
<i>Total receipts</i>	<u>867,428</u>	<u>896,772</u>	<u>896,772</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
General Government	700,999	583,039	583,039	-
Public Safety	1,000	1,000	-	1,000
Public Works	-	634	634	-
Health	120,000	121,129	121,129	-
Conservation-Recreation	-	1,240	1,240	-
Other	701,183	793,883	-	793,883
Capital Outlay	-	7,565	7,565	-
<i>Total Disbursements</i>	<u>1,523,182</u>	<u>1,508,490</u>	<u>713,607</u>	<u>794,883</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(655,754)</u>	<u>(611,718)</u>	<u>183,165</u>	<u>794,883</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	140,000	140,000	-
Transfers Out	-	(340,000)	(340,000)	-
Advances Out	-	(1,000)	(1,000)	-
Other Financing Sources	-	1,627	1,627	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(199,373)</u>	<u>(199,373)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(655,754)	(811,091)	(16,208)	794,883
<i>Fund Balance Beginning of Year</i>	<u>733,478</u>	<u>889,687</u>	<u>889,687</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 77,724</u>	<u>\$ 78,596</u>	<u>\$ 873,479</u>	<u>\$ 794,883</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 753,423	\$ 759,928	\$ 759,928	\$ -
Intergovernmental	110,000	115,533	115,533	-
Other	4,000	15,662	29,802	14,140
<i>Total receipts</i>	<u>867,423</u>	<u>891,123</u>	<u>905,263</u>	<u>14,140</u>
<b>Disbursements</b>				
Current:				
Public Works	954,123	925,092	806,522	118,570
Other	170,000	170,000	-	170,000
<i>Total Disbursements</i>	<u>1,124,123</u>	<u>1,095,092</u>	<u>806,522</u>	<u>288,570</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(256,700)</u>	<u>(203,969)</u>	<u>98,741</u>	<u>302,710</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(41,000)	(41,000)	(41,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(41,000)</u>	<u>(41,000)</u>	<u>(41,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(297,700)</u>	<u>(244,969)</u>	<u>57,741</u>	<u>302,710</u>
<i>Fund Balance Beginning of Year</i>	<u>297,700</u>	<u>297,700</u>	<u>297,700</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 52,731</u>	<u>\$ 355,441</u>	<u>\$ 302,710</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Police District Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 732,146	\$ 750,310	\$ 750,310	\$ -
Intergovernmental	103,000	99,000	100,778	1,778
Other	9,000	13,700	14,208	508
<i>Total receipts</i>	<u>844,146</u>	<u>863,010</u>	<u>865,296</u>	<u>2,286</u>
<b>Disbursements</b>				
Current:				
Public Safety	929,690	840,918	840,918	-
Other	89,382	89,382	-	89,382
<i>Total Disbursements</i>	<u>1,019,072</u>	<u>930,300</u>	<u>840,918</u>	<u>89,382</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(174,926)</u>	<u>(67,290)</u>	<u>24,378</u>	<u>91,668</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	1,000	1,000
Transfers Out	-	-	(1,000)	(1,000)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(174,926)	(67,290)	24,378	91,668
<i>Fund Balance Beginning of Year</i>	<u>174,926</u>	<u>174,926</u>	<u>174,926</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 107,636</u>	<u>\$ 199,304</u>	<u>\$ 91,668</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Fire District Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,530,946	\$ 1,541,040	\$ 1,541,040	\$ -
Intergovernmental	204,000	209,943	209,943	-
<i>Total receipts</i>	<u>1,734,946</u>	<u>1,750,983</u>	<u>1,750,983</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	1,829,461	2,041,321	1,752,105	289,216
<i>Total Disbursements</i>	<u>1,829,461</u>	<u>2,041,321</u>	<u>1,752,105</u>	<u>289,216</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(94,515)</u>	<u>(290,338)</u>	<u>(1,122)</u>	<u>289,216</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	195,860	195,860	195,860	-
<i>Total Other Financing Sources (Uses)</i>	<u>195,860</u>	<u>195,860</u>	<u>195,860</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	101,345	(94,478)	194,738	289,216
<i>Fund Balance Beginning of Year</i>	<u>94,515</u>	<u>94,515</u>	<u>94,515</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 195,860</u>	<u>\$ 37</u>	<u>\$ 289,253</u>	<u>\$ 289,216</u>

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

**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Road District Fund  
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 624,929	\$ 627,207	\$ 627,207	\$ -
Intergovernmental	82,000	89,197	89,197	-
Other	13,200	13,191	13,191	-
<i>Total receipts</i>	<u>720,129</u>	<u>729,595</u>	<u>729,595</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Works	530,334	552,934	489,529	63,405
Other	20,000	20,000	-	20,000
Capital Outlay	175,700	175,700	116,560	59,140
<i>Total Disbursements</i>	<u>726,034</u>	<u>748,634</u>	<u>606,089</u>	<u>142,545</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,905)</u>	<u>(19,039)</u>	<u>123,506</u>	<u>142,545</u>
<i>Fund Balance Beginning of Year</i>	<u>19,105</u>	<u>19,105</u>	<u>19,105</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,200</u>	<u>\$ 66</u>	<u>\$ 142,611</u>	<u>\$ 142,545</u>

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



**Lake Township, Stark County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Emergency Medical Service Fund  
 For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 581,859	\$ 578,610	\$ 578,610	\$ -
Intergovernmental	70,000	78,770	78,770	-
<i>Total receipts</i>	<u>651,859</u>	<u>657,380</u>	<u>657,380</u>	<u>-</u>
<b>Disbursements</b>				
Current:				
Public Safety	668,249	673,749	643,317	30,432
<i>Total Disbursements</i>	<u>668,249</u>	<u>673,749</u>	<u>643,317</u>	<u>30,432</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,390)</u>	<u>(16,369)</u>	<u>14,063</u>	<u>30,432</u>
<i>Fund Balance Beginning of Year</i>	<u>16,390</u>	<u>16,390</u>	<u>16,390</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 30,453</u>	<u>\$ 30,432</u>

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

**Note 1 – Reporting Entity**

The Lake Township, Stark County, Ohio, 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. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general governmental services, including road and bridge maintenance, park operations, and police protection. The Township contracts with the Greentown, Hartville, and Uniontown Volunteer Fire Departments to provide fire protection services.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements show governmental activities of the Township. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year-end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

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

**Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are categorized as governmental.

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's 2007 major governmental funds are the General, Road and Bridge, Police District, Fire District, Road District, Debt Service, Capital Projects Funds. The Township's 2006 major governmental funds also included the Emergency Medical Service Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose. The Police District and Fire District Funds are used to maintain the Township's police department and providing fire protection services. The Road and Bridge and Road District are used, to a great extent, for road maintenance/repair

**C. Basis of Accounting**

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All of the Township's funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted at the beginning of the year. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

The Township invests in Repurchase Agreements. These are valued at cost.

Interest earnings are allocated to Township funds according to state statutes.

Interest receipts credited to the General Fund during 2007 was \$194,656 and other Governmental Funds \$13,392 making total interest receipts received \$208,048.

Interest receipts credited to the General Fund during 2006 was \$153,822 and other Governmental Funds \$8,849 making total interest receipts received \$162,671.

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent all funds with the exception of the General Fund. These funds represent the majority expenditures for supplies, repair and maintenance for the Township.

**G. Inventory and Prepaid Items**

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**I. Interfund Receivables/Payables**

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

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

**J. Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The governmental funds are used for the following purposes: gasoline, motor vehicle license, road and bridge funds are used primarily for road maintenance/repair but also encompass many other purposes as salaries (and related expenses as OPERS Social Security and Medicare), insurance, equipment purchases, etc.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance.

**Note 4 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United State Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007 and 2006 the bank balances were \$909 and \$2,889 respectively. None of the Township's deposits were exposed to custodial credit risk

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Interest rate risk arises because the fair value of investments changes as interest rates change. The Township does not have an investment policy; however it addresses interest rate risk by investing only in Certificates of Deposit, which is structured so the Township can meet its cash requirements for ongoing operations, thereby avoiding that need to sell securities on the open market, and by investing operating funds primarily in short-term investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township has no investment policy dealing with investments custodial risk beyond the requirements in ORC 135.14 (M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from custodian by the treasurer, governing board, or qualified trustee".

Lake Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Real property taxes received in 2007 and 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility real and tangible personal property taxes received in 2007 and 2006 became a lien on December 31, 2006 and 2005, were levied after October 1, 2006 and 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2006 and 2005 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the true value as of December 31, 2006 and 2005. Tangible personal property taxes received in 2006 represents the collection of 2005 taxes. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007 and 2006 were \$13.67 and \$14.73, respectively, per \$1,000 of assessed value. The assessed values of real property, tangible personal property, and public utility property, upon which 2007 and 2006 property tax receipts were based are as follows:

	2007	2006
Real Property		
Residential/Agricultural	\$ 584,411,180	\$ 506,803,640
All Other	69,315,810	59,454,240
Tangible Personal Property	8,822,216	14,192,437
Public Utility	5,968,940	9,162,260
Total Assessed Value	\$ 668,518,146	\$ 589,612,577

**Note 6 – Risk Management**

**Risk Pool Membership**

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 460 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Lake Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2005 and 2004 (the latest information available):

	<u>2005</u>	<u>2004</u>
Assets	\$8,219,430	\$6,685,522
Liabilities	<u>(2,748,639)</u>	<u>(2,227,808)</u>
Members' Equity	<u>\$5,470,791</u>	<u>\$4,457,714</u>

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

Contributions

2005	\$57,921
2006	\$52,706
2007	\$56,044

**Note 7 – Defined Benefit Pension Plan**

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. In 2006 it was 9.0. The Township's contribution rate for pension benefits for 2007 was 13.85 percent, and 2006 was 13.70 percent. Law enforcement officers contributed 10.1 percent of their gross salaries for both 2007 and 2006 and the Township contributed an amount equal to 17.17 percent of participants' gross salaries for 2007 and 16.93 percent for 2006. The Ohio Revised Code provides statutory authority for member and employer contributions.



Lake Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 7 – Defined Benefit Pension Plan** (Continued)

The Township’s required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$177,529, \$196,544 and \$152,120 respectively. The full amount has been contributed for 2007, 2006 and 2005.

**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 358,804. Actual employer contributions for 2007 that were used to fund postemployment benefits were \$156,685. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS’ health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 9 – Debt**

The Township’s long-term debt activity for the year ended December 31, 2007, was as follows:

Name	Description	Principal Outstanding			Principal Outstanding			Principal Outstanding
		12/31/05	Add	Deductions	12/31/06	Add	Deductions	
General Obligation Bonds	2000 Issue (\$660,000) Interest Rate 5.16%	\$293,332	\$ -	\$73,333	\$219,999	\$ -	\$219,999	\$ -

**Note 9 – Debt** (continued)

The general obligation bonds were issued to finance the cost of the construction of a building to be used by the Township Road Department at the Midway Street site. The bonds are collateralized solely by the Township's taxing authority. This debt was paid in full during 2007.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2007, were an overall debt margin of \$0 and an unvoted debt margin of \$0.

**Note 10 – Contingent Liabilities**

The Township is currently defendant in one lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

On or about March 2008, a final, binding, arbitration award was granted to *The Utility Workers Union of America, Local 578* for attorney's fees, as compensatory damages, for defending a retiring members vacation compensation in the amount of \$15,806. The final payment was made in 2008, and this matter is now closed and resolved.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Note 11 – Jointly Governed Organizations**

The Stark Council of Governments (SCOG) is a statutorily created political subdivision of Ohio for purposes of providing a permanent forum for discussion and 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 jointly governed among municipalities and townships located in Stark County. Each member's control over the operation of the Council is limited to its representation on the Board which consists of 37 members. The Board exercises total control SCOG operations. Complete financial statements may be obtained from the Regional Planning Commission, Stark County, Ohio.

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and reviewing plans affecting long and short term social, economic, and governmental development within the region. The Commission is jointly governed among municipalities and townships located in Stark County. Each member's control over the operation of SCRPC is limited to its representation on the Board that consisted of 77 members in 2006 and 87 members in 2007. The Board exercises total control over SCRPC operations. Complete financial statements may be obtained from the Regional Planning Commission, Stark County, Ohio.

**Note 12 – Subsequent Events**

**A. Replacement of ONE MILL Fire Levy**

The replacement of the ONE MILL Fire Levy due to expire at the end of 2007 passed on November 6, 2007. This levy will run for five years (2008 through 2012) providing a substantial amount of revenue to sustain the level of fire service provided to the residents in the Township fire district.

Lake Township  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 13 – Interfund Transfers**

During 2007 the following transfers were made from Special Revenue Funds:

Transfers from the Road and Bridge Fund to:	
Other Governmental Funds	<u>\$87,422</u>
Total Transfers from the Road and Bridge Fund	<u><u>\$87,422</u></u>
Transfers from the Police District Fund to:	
Police District Fund	<u>\$99,500</u>
Total Transfers from the Police District Fund	<u><u>\$99,500</u></u>

During 2006 the following transfers were made from Special Revenue Funds:

Transfers from the Road and Bridge Fund to:	
Other Governmental Funds	<u>\$41,000</u>
Total Transfers from the Road and Bridge Fund	<u><u>\$41,000</u></u>
Transfers from the Police District Fund to:	
Police District Fund	<u>\$1,000</u>
Total Transfers from the General Fund	<u><u>\$1,000</u></u>
Transfers from Other Governmental Funds to:	
Fire District Fund	<u>\$195,860</u>
Total Transfers from Other Governmental Funds	<u><u>\$195,860</u></u>

Transfers from the Special Revenue Funds in 2007 and 2006 were made to establish Reserve Funds. Transfers were made in both years from the Road and Bridge fund to the Road Reserve Fund and from the Police District Fund to the Police District Reserve Fund. In 2006, a transfer for \$195,860 was made from the Capital Projects Fire Fund to the Fire District Fund. The money in the Capital Projects Fire Fund was originally to be used for a new fire facility, however the Township decided not to build the facility. Since the Township had no capital improvement projects planned, the money was equally distributed to the three firehouses.

Transfers to the above mentioned Reserve Funds and Fire District Fund were determined to be in compliance.

***Perry & Associates***  
Certified Public Accountants, A.C.

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Marietta, OH 45750  
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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

May 16, 2008

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Lake Township, Stark County**, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 16, 2008, wherein we noted the Township revised its financial statements making them comparable to the requirements of governmental Auditing Standard Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for the State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

### **Internal Control Over Financial Reporting (Continued)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted two internal control matters that we reported to the Township's management in a separate letter dated May 16, 2008.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of management and Board of Trustees and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.





**Mary Taylor, CPA**  
Auditor of State

LAKE TOWNSHIP

STARK COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 5, 2008