



Mary Taylor, CPA
Auditor of State

**LAKE TOWNSHIP
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Prior Audit Findings.....	17

This page intentionally left blank.



Mary Taylor, CPA Auditor of State

Lake Township
Wood County
27975 Cummings Road
Millbury, Ohio 43447-9762

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 12, 2008

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Lake Township
Wood County
27975 Cummings Road
Millbury, Ohio 43447-9762

To the Board of Trustees:

We have audited the accompanying financial statements of Lake Township, Wood County, (the Township) as of and for the years ended December 31, 2007 and 2006. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

One Government Center / Suite 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Lake Township, Wood County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

For the year ended December 31, 2006, the Township revised its financial presentation to financial statements using accounting practices the Auditor of State prescribes or permits.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 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.



Mary Taylor, CPA
Auditor of State

June 12, 2008

**LAKE TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$313,737	\$1,483,139				\$1,796,876
Charges for Services	219,901	291,638				511,539
Licenses, Permits, and Fees	88,465	5,021				93,486
Fines and Forfeitures	10,337	3,370				13,707
Intergovernmental	518,566	477,621				996,187
Special Assessments				\$17,771		17,771
Earnings on Investments	92,001	16,202			\$375	108,578
Miscellaneous	14,883	109,121				124,004
Total Cash Receipts	1,257,890	2,386,112		17,771	375	3,662,148
Cash Disbursements:						
Current:						
General Government	380,595					380,595
Public Safety	178,698	1,875,155				2,053,853
Public Works	27,297	593,307		12,108		632,712
Health		211,832			300	212,132
Conservation - Recreation	50,085					50,085
Capital Outlay	12,407	712,043				724,450
Total Cash Disbursements	649,082	3,392,337		12,108	300	4,053,827
Total Cash Receipts Over/(Under) Cash Disbursements	608,808	(1,006,225)		5,663	75	(391,679)
Other Financing Receipts / (Disbursements):						
Other Debt Proceeds		461,991				461,991
Transfers-In		350,000				350,000
Transfers-Out	(350,000)					(350,000)
Total Other Financing Receipts / (Disbursements)	(350,000)	811,991				461,991
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	258,808	(194,234)		5,663	75	70,312
Fund Cash Balances, January 1	607,713	1,212,382	\$483	27,972	15,745	1,864,295
Fund Cash Balances, December 31	\$866,521	\$1,018,148	\$483	\$33,635	\$15,820	\$1,934,607

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

**LAKE TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$310,140	\$1,350,412	\$139,310			\$1,799,862
Charges for Services	222,427	327,431				549,858
Licenses, Permits, and Fees	82,983	4,740				87,723
Fines and Forfeitures	15,233	2,482				17,715
Intergovernmental	305,865	596,831				902,696
Special Assessments				\$17,071		17,071
Earnings on Investments	77,564	8,572			\$281	86,417
Miscellaneous	17,189	97,722				114,911
Total Cash Receipts	1,031,401	2,388,190	139,310	17,071	281	3,576,253
Cash Disbursements:						
Current:						
General Government	366,180					366,180
Public Safety	157,949	1,969,060				2,127,009
Public Works	132,227	492,039		13,828		638,094
Health		200,950				200,950
Conservation - Recreation	24,159					24,159
Capital Outlay	66,447	133,277				199,724
Debt Service:						
Redemption of Principal			134,000			134,000
Interest and Other Fiscal Charges			4,827			4,827
Total Cash Disbursements	746,962	2,795,326	138,827	13,828		3,694,943
Total Cash Receipts Over/(Under) Cash Disbursements	284,439	(407,136)	483	3,243	281	(118,690)
Other Financing Receipts / (Disbursements):						
Transfers-In		550,000				550,000
Transfers-Out	(550,000)					(550,000)
Total Other Financing Receipts / (Disbursements)	(550,000)	550,000				
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(265,561)	142,864	483	3,243	281	(118,690)
Fund Cash Balances, January 1	873,274	1,069,518		24,729	15,464	1,982,985
Fund Cash Balances, December 31	\$607,713	\$1,212,382	\$483	\$27,972	\$15,745	\$1,864,295

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

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Lake Township, Wood County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services

The Township contracts with Life Star Ambulance and Ambulette Service to provide to provide ambulance and dispatching services.

The Township participates in the Ohio Government Risk Management Plan public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is a Public Entity Risk Pool which is an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

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

The Township values certificates of deposit at cost and common stock at fair value when received.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire Levy Fund - This fund receives property tax money from a special levy for Township fire protection.

Police Levy Fund - This fund receives property tax money from a special levy for Township police protection.

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Street Lighting Assessment Funds – These funds are used to receive assessments for street lighting.

5. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

Cemetery Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

E. Budgetary Process

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

1. Appropriations

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

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND BALANCE

A. Change in Basis of Accounting

During fiscal year 2006, the Township changed its method of accounting from modified cash basis to the regulatory cash basis in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. There were no adjustments to beginning fund balances since the basis of accounting has not changed.

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

**2. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND BALANCE –
(CONTINUED)**

B. Restatement of Fund Balance

The Township received common stock from the demutualization of Principal Mutual Life Insurance Company. The Township had not placed the fair value of stock on the financial statements. The stock was issued in October of 2001. The fair value of the stock issue was \$60,627. The effect was to increase the fund balance of the Township. The Trustees may place the stock proceeds in any fund and have opted to give it to the General Fund. The effect of the restatement is to increase the fund balance of the General Fund.

General Fund Balance 12/31/05	\$812,647
Fair Value of Common Stock	<u>60,627</u>
General Fund Balance 1/1/06	<u><u>\$873,274</u></u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2007	2006
Demand deposits	\$1,863,980	\$1,793,668
Certificates of deposit	10,000	10,000
Total deposits	<u>1,873,980</u>	<u>1,803,668</u>
Common stock (at cost, fair value was \$198,741 and \$169,467 at December 31, 2007 and 2006, respectively.)	60,627	60,627
Total deposits and investments	<u><u>\$1,934,607</u></u>	<u><u>\$1,864,295</u></u>

At December 31, 2007, the Township held 2,887 shares of common stock. Common stock is not an eligible investment for the Township under Ohio law, however the Township acquired the stock from the demutualization of Principal Mutual Life Insurance Company.

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: The Principal Financial Group holds the stock certificates in the name of the Township.

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,066,815	\$1,257,890	\$191,075
Special Revenue	3,927,533	3,198,103	(729,430)
Capital Projects	42,278	17,771	(24,507)
Permanent	370	375	5
Total	\$5,036,996	\$4,474,139	(\$562,857)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,613,901	\$999,082	\$614,819
Special Revenue	4,665,407	3,392,337	1,273,070
Capital Projects	49,281	12,108	37,173
Permanent	6,105	300	5,805
Total	\$6,334,694	\$4,403,827	\$1,930,867

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,029,567	\$1,031,401	\$1,834
Special Revenue	3,494,320	2,938,190	(556,130)
Debt Service	139,500	139,310	(190)
Capital Projects	16,951	17,071	120
Permanent	529	281	(248)
Total	\$4,680,867	\$4,126,253	(\$554,614)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,852,622	\$1,296,962	\$555,660
Special Revenue	4,523,416	2,795,326	1,728,090
Debt Service	139,500	138,827	673
Capital Projects	41,674	13,828	27,846
Permanent	5,992	5,992	5,992
Total	\$6,563,204	\$4,244,943	\$2,318,261

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. PROPERTY TAX

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

6. DEBT

Debt outstanding at December 31, 2007, was as follows:

	Principal	Interest Rate
Commercial Loan - Fire Truck	\$367,281	5.20%
Commercial Loan - Police Cruisers	95,000	5.00%
Total	\$462,281	

The Township issued a commercial loan to finance the purchase of a new fire truck. The new fire truck collateralized the loan.

The Township issued a commercial loan to finance the purchase of four new police cruisers. The new police cruisers collateralized the loan.

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

	Commercial Loan - Fire Truck	Commercial Loan Police Cruisers
Year ending December 31:		
2008	\$135,576	\$34,933
2009	135,576	34,933
2010	135,576	34,933
Total	\$406,728	\$104,799

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

7. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, police officers contributed 10.1% of their wages. The Township contributed an amount equal to 17.17% and 16.7% of their wages, respectively. OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Township contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2007.

8. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 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 retains 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.

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

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

**LAKE TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

8. RISK MANAGEMENT – (CONTINUED)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$9,620,148	\$8,219,430
Liabilities	(3,329,620)	(2,748,639)
Members' Equity	\$6,290,528	\$5,470,791

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.



Mary Taylor, CPA

Auditor of State

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

Lake Township
Wood County
27975 Cummings Road
Millbury, Ohio 43447-9762

To the Board of Trustees:

We have audited the financial statements of the Lake Township, Wood County, (the Township) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 12, 2008, wherein we noted the Township changed to accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 opinion 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 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.

One Government Center / Suite 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

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 certain matters that we reported to the Township's management in a separate letter dated June 12, 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 we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated June 12, 2008.

We intend this report solely for the information and use of the audit committee, management, and Township Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 12, 2008

**LAKE TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Revised Code 5705.41(D), the Fiscal Officer did not certify the availability of funds	No	Improvement has been made reducing this to a management letter comment.
2005-002	Ohio Revised Code 5705.10, errors in posting had resulted in audit adjustments which created a deficit fund balance.	Yes	



Mary Taylor, CPA
Auditor of State

LAKE TOWNSHIP

WOOD 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
JULY 8, 2008**