

**LAKE TOWNSHIP
STARK COUNTY
Regular Audit
December 31, 2009 and 2008**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

Board of Trustees
Lake Township
12360 Market Avenue, North
Hartsville, 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, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

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Mary Taylor, CPA
Auditor of State

April 28, 2010

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**LAKE TOWNSHIP
STARK COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

March 9, 2010

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

To the Board of Trustees:

We have audited the accompanying financial statements of **Lake Township, Stark County, Ohio**, (the Township) as of and for the years ended December 31, 2009 and 2008. 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 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.

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 the 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, 2009 and 2008 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, 2009 and 2008 or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of Lake Township, Stark County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 March 9, 2010, 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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**LAKE TOWNSHIP
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 121,235	\$ 5,192,150	\$ -	\$ 5,313,385
Intergovernmental	501,960	1,187,032	-	1,688,992
Special Assessments	-	111,304	-	111,304
Charges for Services	-	44,176	-	44,176
Licenses, Permits, and Fees	306,065	-	-	306,065
Fines and Forfeitures	5,507	5,752	-	11,259
Earnings on Investments	12,353	751	-	13,104
Other Revenue	21,817	40,768	-	62,585
Total Cash Receipts	<u>968,937</u>	<u>6,581,933</u>	<u>-</u>	<u>7,550,870</u>
Cash Disbursements:				
Current:				
General Government	194,778	-	-	194,778
Public Safety	-	3,803,917	-	3,803,917
Public Works	647	2,117,980	-	2,118,627
Health	145,476	59,213	-	204,689
Miscellaneous	8,479	-	-	8,479
Capital Outlay	-	152,587	2,500	155,087
Personal Services	285,048	40,237	-	325,285
Contract Services	36,000	-	-	36,000
Supplies and Materials	4,935	-	-	4,935
Total Cash Disbursements	<u>675,363</u>	<u>6,173,934</u>	<u>2,500</u>	<u>6,851,797</u>
Total Receipts Over/(Under) Disbursements	<u>293,574</u>	<u>407,999</u>	<u>(2,500)</u>	<u>699,073</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	-	35,000	500,000	535,000
Transfers-Out	(200,000)	(335,000)	-	(535,000)
Total Other Financing Receipts/(Disbursements)	<u>(200,000)</u>	<u>(300,000)</u>	<u>500,000</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>93,574</u>	<u>107,999</u>	<u>497,500</u>	<u>699,073</u>
Fund Cash Balances, January 1	<u>447,306</u>	<u>1,966,320</u>	<u>1,900,000</u>	<u>4,313,626</u>
Fund Cash Balances, December 31	<u>\$ 540,880</u>	<u>\$ 2,074,319</u>	<u>\$ 2,397,500</u>	<u>\$ 5,012,699</u>
Reserve for Encumbrances, December 31	<u>\$ 11,746</u>	<u>\$ 417,894</u>	<u>\$ 12,500</u>	<u>\$ 442,140</u>

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

**LAKE TOWNSHIP
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$ 120,481	\$ 4,935,859	\$ -	\$ 5,056,340
Intergovernmental	462,381	1,118,604	-	1,580,985
Special Assessments	-	141,612	-	141,612
Charges for Services	-	31,105	-	31,105
Licenses, Permits, and Fees	249,447	-	-	249,447
Fines and Forfeitures	7,381	2,307	-	9,688
Earnings on Investments	134,709	6,938	-	141,647
Other Revenue	18,328	29,784	-	48,112
	<u>992,727</u>	<u>\$6,266,209</u>	<u>-</u>	<u>7,258,936</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	182,136	-	-	182,136
Public Safety	-	3,577,643	-	3,577,643
Public Works	651	1,859,578	-	1,860,229
Health	138,116	38,056	-	176,172
Miscellaneous	7,056	-	-	7,056
Capital Outlay	-	350,080	-	350,080
Personal Services	274,677	12,695	-	287,372
Contract Services	36,000	-	-	36,000
Supplies and Materials	7,307	-	-	7,307
	<u>645,943</u>	<u>5,838,052</u>	<u>-</u>	<u>6,483,995</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>346,784</u>	<u>428,157</u>	<u>-</u>	<u>774,941</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	110,850	40,000	1,000,000	1,150,850
Transfers-Out	(510,850)	(640,000)	-	(1,150,850)
Other Financing Sources	-	300,522	-	300,522
	<u>(400,000)</u>	<u>(299,478)</u>	<u>1,000,000</u>	<u>300,522</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(53,216)	128,679	1,000,000	1,075,463
Fund Cash Balances, January 1	<u>500,522</u>	<u>1,837,641</u>	<u>900,000</u>	<u>3,238,163</u>
Fund Cash Balances, December 31	<u>\$ 447,306</u>	<u>\$ 1,966,320</u>	<u>\$ 1,900,000</u>	<u>\$ 4,313,626</u>
Reserve for Encumbrances, December 31	<u>\$ 18,595</u>	<u>\$ 278,012</u>	<u>\$ -</u>	<u>\$ 296,607</u>

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

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lake Township, Stark County, (the Township) is a body corporate and politic 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 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.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

Change in Basis of Accounting

During the last audit period, the Township implemented the cash basis of accounting. The fund financial statements presented each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. This audit period the Township has elected to report fund financial statements by fund type using the regulatory basis of accounting as prescribed by the Auditor of States office.

C. Cash and Investments

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Repurchase agreement (overnight sweep) is valued at cost.

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:

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property taxes and intergovernmental receipts for constructing, maintaining and repairing Township roads and bridges.

Police District Fund - This fund is used to account for a portion of property tax revenue received and used for the purposes of maintaining the Township police department.

Fire District Fund - This fund is used to account for a portion of property tax revenue received and used for the purposes of providing fire protection services for the Township.

Road District Fund - This fund receives property taxes for constructing, maintaining and repairing Township roads.

Emergency Medical Services Fund - This fund receives property taxes to provide emergency medical services to the Township.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant Capital Project Funds:

Capital Project Administration Building Fund – This fund receives transfers from the General Fund to be used for the future construction of a new administration building.

Capital Project Maintenance Building Fund – This fund receives transfers from the Road and Bridge Fund to be used for the future construction of a new maintenance building.

Capital Project Police Department Building Fund – This fund receives transfers from the Police District Fund to be used for the future construction of a new police station.

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and 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. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2009	2008
Demand deposits	\$ 14,023	\$ 10,746
Total deposits	14,023	10,746
Repurchase agreement	4,998,676	4,302,880
Total investments	4,998,676	4,302,880
Total deposits and investments	\$ 5,012,699	\$ 4,313,626

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

Investments: The Township invests in Repurchase Agreements. These are valued at cost. The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 966,472	\$ 968,937	\$ 2,465
Special Revenue	6,595,393	6,616,933	21,540
Capital Projects	500,000	500,000	-
Total	\$ 8,061,865	\$ 8,085,870	\$ 24,005

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,395,183	\$ 887,109	\$ 508,074
Special Revenue	8,283,701	6,926,828	1,356,873
Capital Projects	2,400,000	15,000	2,385,000
Total	\$ 12,078,884	\$ 7,828,937	\$ 4,249,947

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 985,575	\$ 1,103,577	\$ 118,002
Special Revenue	6,610,295	6,606,731	(3,564)
Capital Projects	1,000,000	1,000,000	-
Total	\$ 8,595,870	\$ 8,710,308	\$ 114,438

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,457,568	\$ 1,175,388	\$ 282,180
Special Revenue	8,052,558	6,756,064	1,296,494
Capital Projects	1,900,000	-	1,900,000
Total	\$ 11,410,126	\$ 7,931,452	\$ 3,478,674

4. PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by 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 taxes are 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.

5. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2009 and 2008, members of PERS contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

6. RISK MANAGEMENT

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

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. RISK MANAGEMENT (Continued)

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.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$ 10,471,114	\$ 11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Member's Equity	<u>\$ 5,184,333</u>	<u>\$ 6,862,902</u>

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

7. 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 27 members. The Board exercises total control SCOG operations. Complete financial statements may be obtained from the Regional Planning Commission, Stark County, Ohio.

**LAKE TOWNSHIP
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 which consists of 61 members. The Board exercises total control over SCRPC operations. Complete financial statements may be obtained from the Regional Planning Commission, Stark County, Ohio.

8. TRANSFERS

During 2009 the following transfers were made from Special Revenue Funds:

Transfer from the Road and Bridge Fund to:	
Capital Project Maintenance Building Fund	<u>\$100,000</u>
Total Transfers from the Road and Bridge Fund	<u>\$100,000</u>
Transfers from the Police District Fund to:	
Capital Project Police Department Building Fund	\$200,000
Police Department Reserve Fund	<u>35,000</u>
Total Transfers from the Police District Fund	<u>\$235,000</u>

During 2008 the following transfers were made from Special Revenue Funds:

Transfers from the Road and Bridge Fund to:	
Capital Project Maintenance Building Fund	\$300,000
Road Reserve Fund	<u>30,000</u>
Total Transfers from the Road and Bridge Fund	<u>\$330,000</u>
Transfers from the Police District Fund to:	
Capital Project Police Department Building Fund	\$300,000
Police Department Reserve Fund	<u>10,000</u>
Total Transfers from the Police District Fund	<u>\$310,000</u>

Transfers were made in 2009 and 2008 from the Road and Bridge fund to the Capital Project Maintenance Building fund to provide funds for a new maintenance building. In 2008, a transfer was made from the Road and Bridge Fund to the Road Reserve Fund. Transfers were made in 2009 and 2008 from the Police District Fund to the Capital Project Police Department Building Fund to provide funds for a new Police Department Building and to the Police Department Reserve Fund.

Transfers to the above mentioned Reserve Funds and Building Funds were determined to be in compliance.

Perry & Associates
Certified Public Accountants, A.C.

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

March 9, 2010

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

To the Board of Trustees:

We have audited the financial statements of **Lake Township, Stark County, Ohio** (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 9, 2010 wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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

Respectfully Submitted,

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

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
MAY 11, 2010