

***LAWRENCE TOWNSHIP***

***STARK COUNTY***

Regular Audit

For the Years Ended December 31, 2021 and 2020







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Board of Trustees  
Lawrence Township  
5828 Manchester Ave NW  
North Lawrence, OH 44666

We have reviewed the *Independent Auditor's Report* of Lawrence Township, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. 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. Lawrence Township is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 24, 2022

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**Lawrence Township**  
**Stark County**  
**Regular Audit**  
*For the Years Ended December 31, 2021 and 2020*

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**INDEPENDENT AUDITOR'S REPORT**

Lawrence Township  
Stark County  
5828 Manchester Avenue  
North Lawrence, Ohio 44666

To the Board of Trustees:

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

***Opinions***

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence Township, Stark County, Ohio (the Township), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2021, and the changes in the cash basis financial position thereof and the budgetary comparison for the General, Police District, Fire District, Road District, Local Fiscal Recovery Plan and Fire & RSC Ambulance EMS Service funds for the year then ended in accordance with the cash basis of accounting described in Note 2.

***Basis for Opinions***

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

***Emphasis of Matter - Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Emphasis of Matter***

As discussed in note 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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




**Other Matter**

*Other Information*

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
June 28, 2022

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

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This discussion and analysis of Lawrence Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2021, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Financial Highlights**

Key highlights for 2021 are as follows:

In 2021, net position of the governmental activities increased \$691,177 or 19.7 percent from the prior year. The fund most affected by an increase in cash and cash equivalents was the Local Fiscal Recovery Fund. The Township's general receipts are primarily property taxes. These receipts represent \$2,754,308 or 66 percent of total cash receipts for governmental activities for 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 cash basis of accounting.

**Report Components**

The Statement of Net Position 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the 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 cash basis of accounting.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

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**Reporting the Township as a Whole**

The Statement of Net Position and the Statement of Activities reflect how the Township did financially during 2021, within the limitations of the cash basis of accounting. The Statement of Net Position 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. Program receipts include charges paid by the recipient of the program's goods or services and 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 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 cash basis of accounting, these changes can be thought of as a way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position are 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 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 taxes.

In the Statement of Net Position and the Statement of Activities, the Township has one type of activity:

Governmental activities - All of the Township's basic services are reported here, including police, fire, road and zoning. State grants and property taxes 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. The funds of the Township are all governmental in nature.

Governmental Funds - Most 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 are the General fund, Police District fund, Fire District fund, Road District fund, Local Recovery Fund, and Ambulance & EMS Fund.. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

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**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2021 compared to 2020 on a cash basis:  
 (Table 1)

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 4,197,915	\$ 3,506,708
<b>Net position</b>		
Restricted for:		
Other purposes	2,889,597	2,234,490
Unrestricted	1,308,318	1,272,248
Total net position	\$ 4,197,915	\$ 3,506,738

As mentioned previously, net position of governmental activities increased \$691,177 or 19.7 percent during 2021.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
(Unaudited)

Table 2 reflects the changes in net position in 2021 and 2020.

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

	Governmental Activities 2021	Governmental Activities 2020
Receipts:		
Program receipts:		
Charges for services and sales	\$ 216,323	\$ 167,299
Operating grants and contributions	1,089,699	1,172,067
Total program receipts	<u>1,306,022</u>	<u>1,339,366</u>
General receipts:		
Property and other local taxes	2,754,308	2,716,359
Grants and Entitlements Not Restricted	-	3,121
Sale of capital assets	22,899	4,015
Cable franchise fees	108,356	110,737
Earnings on investments	610	3,791
Miscellaneous	1,307	9,740
Total general receipts	<u>2,887,480</u>	<u>2,847,763</u>
Total receipts	<u>4,193,502</u>	<u>4,187,129</u>
Disbursements:		
Current:		
General governmnet	252,449	239,189
Public safety	2,130,795	2,100,196
Public works	749,225	815,159
Health	57,894	51,001
Conservation-recreation	11,930	6,718
Capital outlay	300,032	442,056
Total disbursements	<u>3,502,325</u>	<u>3,654,319</u>
Increase (decrease) in net position	691,177	532,810
Net position, January 1	3,506,738	2,973,928
Net position, December 31	<u>\$ 4,197,915</u>	<u>\$ 3,506,738</u>

Program receipts represent only 31.1 percent of total receipts in 2021 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and culvert permits.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

General receipts represent 68.9 percent of the Township's total receipts, and of this amount, 95 percent are Property Taxes. Miscellaneous receipts, cable franchise fees and local government distributions make up the balance of the Townships general receipts.

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 costs of Trustees, the fiscal office, zoning, and maintenance departments. Since these costs do not represent direct services to residents, we try to limit these costs to 15% of General fund unrestricted receipts.

Public Safety is the cost of police and fire protection and Public Works is the cost of maintaining the roads.

**Governmental Activities**

If you look at the Statements of Activities on page 11, 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 major program disbursements for governmental activities in 2021 are for Public Safety, which accounts for 60.8 percent of all governmental disbursements. The next two columns of the Statement, entitled Program Cash Receipts identify amounts paid by users who are directly charged for the service and grants restricted as to use. 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 and identifies dependence upon 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.

	<b>Governmental Activities</b>			
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
Current:				
General government	\$ 252,449	\$ 340,605	\$ 239,189	\$ 390,625
Public safety	2,130,795	(1,725,754)	2,100,196	(1,702,439)
Pulic works	749,225	(452,459)	815,159	(507,118)
Health	57,894	(57,894)	51,001	(47,397)
Conservation-recreation	11,930	(769)	6,718	(6,568)
Capital Outlay	300,032	(300,032)	442,056	(442,056)
Total expenses	<u>\$ 3,502,325</u>	<u>\$ (2,196,303)</u>	<u>\$ 3,654,319</u>	<u>\$ (2,314,953)</u>

**The Township's Funds**

In 2021, the Township's funds had receipts of \$4,170,603 and disbursements of \$3,502,325.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

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**General Fund Budgeting Highlights**

During 2021, the Township amended its General fund budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$372,819 while actual disbursements were \$299,708. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

**Capital Assets and Debt Administration**

**Capital Assets**

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

**Debt**

At December 31, 2021 the Township's outstanding debt included \$166,285 in leases for equipment.

**Current Issues**

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Township heavily depends on local taxes and has very little industry to support the tax base. The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**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 Cynthia Meismer, Fiscal Officer, 5828 Manchester Ave. NW, North Lawrence, Ohio 44666.

**Lawrence Township**  
**Stark County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2021*

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	Governmental Activities
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 4,197,915
Total assets	<u>4,197,915</u>
<b>Net Position</b>	
Restricted for:	
Other purposes	2,889,597
Unrestricted	<u>1,308,318</u>
Total net position	<u>\$ 4,197,915</u>

See accompanying notes to the financial statements.



**Lawrence Township**  
**Stark County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2021*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>				
Current:				
General government	\$ 252,449	\$ 11,790	\$ 581,264	\$ 340,605
Public safety	2,130,795	184,929	220,112	(1,725,754)
Public works	749,225	19,129	277,637	(452,459)
Health	57,894	-	-	(57,894)
Conservation-recreation	11,930	475	10,686	(769)
Capital outlay	300,032	-	-	(300,032)
<b>Total governmental activities</b>	<b>\$ 3,502,325</b>	<b>\$ 216,323</b>	<b>\$ 1,089,699</b>	<b>(2,196,303)</b>
<b>General Receipts</b>				
Property taxes levied for:				
				107,066
				1,968,187
				679,055
				22,899
				108,356
				610
				1,307
				<u>2,887,480</u>
				691,177
				<u>3,506,738</u>
				<u>\$ 4,197,915</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2021*

	General	Police District	Fire District	Road District	Local Fiscal Recovery	Fire & RSC Ambulance EMS Serv.	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Equity in pooled cash and cash equivalents	\$ 1,308,318	\$ 491,977	\$ 507,640	\$ 337,618	\$ 408,152	\$ 531,431	\$ 612,779	\$ 4,197,915
Total assets	1,308,318	491,977	507,640	337,618	408,152	531,431	612,779	4,197,915
<b>Fund Balances</b>								
Restricted	-	491,977	507,640	337,618	408,152	531,431	612,779	2,889,597
Assigned	91,972	-	-	-	-	-	-	91,972
Unassigned	1,215,346	-	-	-	-	-	-	1,215,346
Total fund balances	<u>\$ 1,307,318</u>	<u>\$ 491,977</u>	<u>\$ 507,640</u>	<u>\$ 337,618</u>	<u>\$ 408,152</u>	<u>\$ 531,431</u>	<u>\$ 612,779</u>	<u>\$ 4,196,915</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2021*

	General	Police District	Fire District	Road District	Local Fiscal Recovery	Fire & RSC Ambulance EMS Serv.	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and other local taxes	\$ 107,066	\$ 1,286,549	\$ 681,638	\$ 433,753	\$ -	\$ -	\$ 245,302	\$ 2,754,308
Charges for services	-	-	-	-	-	169,428	-	169,428
Licenses, permits and fees	120,146	40	-	19,129	-	-	475	139,790
Fines and forfeitures	14,444	-	-	-	-	-	3,016	17,460
Intergovernmental	100,159	135,222	70,378	12,173	433,722	-	326,504	1,078,158
Special assessments	-	-	-	-	-	-	9,535	9,535
Earnings on investments	577	-	-	-	7	-	33	617
Miscellaneous	-	-	100	1,207	-	-	-	1,307
<b>Total receipts</b>	<b>342,392</b>	<b>1,421,811</b>	<b>752,116</b>	<b>466,262</b>	<b>433,729</b>	<b>169,428</b>	<b>584,865</b>	<b>4,170,603</b>
<b>Disbursements</b>								
Current:								
General government	231,949	6,902	7,868	-	-	-	5,730	252,449
Public safety	1,508	1,375,111	659,522	-	-	48,162	46,492	2,130,795
Public works	2,500	-	-	373,529	-	-	373,196	749,225
Health	57,894	-	-	-	-	-	-	57,894
Conservation-recreation	-	-	-	-	-	-	11,930	11,930
Capital outlay	-	35,000	41,098	71,700	25,577	-	126,657	300,032
<b>Total disbursements</b>	<b>293,851</b>	<b>1,417,013</b>	<b>708,488</b>	<b>445,229</b>	<b>25,577</b>	<b>48,162</b>	<b>564,005</b>	<b>3,502,325</b>
Excess of receipts over (under) disbursements	48,541	4,798	43,628	21,033	408,152	121,266	20,860	668,278
<b>Other financing sources (uses)</b>								
Sale of capital assets	-	-	-	22,899	-	-	-	22,899
Transfers in	-	7,471	-	-	-	-	5,000	12,471
Transfers out	(12,471)	-	-	-	-	-	-	(12,471)
<b>Total other financing sources (uses)</b>	<b>(12,471)</b>	<b>7,471</b>	<b>-</b>	<b>22,899</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>22,899</b>
Net change in fund balance	36,070	12,269	43,628	43,932	408,152	121,266	25,860	691,177
Fund balances beginning of year	1,272,248	479,708	464,012	293,686	-	410,165	586,919	3,506,738
Fund balances end of year	\$ 1,308,318	\$ 491,977	\$ 507,640	\$ 337,618	\$ 408,152	\$ 531,431	\$ 612,779	\$ 4,197,915

See accompanying notes to the financial statements.

**Lawrence 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, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 106,341	\$ 106,341	\$ 107,066	\$ 725
Licenses, permits and fees	124,000	116,900	120,146	3,246
Fines and forfeitures	-	7,100	14,444	7,344
Intergovernmental	70,662	70,662	100,159	29,497
Earnings on investments	-	-	577	577
<b>Total receipts</b>	<b>301,003</b>	<b>301,003</b>	<b>342,392</b>	<b>41,389</b>
<b>Disbursements</b>				
Current:				
General government	301,219	300,769	237,806	62,963
Public safety	2,500	2,500	1,508	992
Public works	2,500	2,500	2,500	-
Health	56,000	66,850	57,894	8,956
Capital outlay	5,000	200	-	200
<b>Total disbursements</b>	<b>367,219</b>	<b>372,819</b>	<b>299,708</b>	<b>73,111</b>
Excess of receipts under disbursements	(66,216)	(71,816)	42,684	114,500
<b>Other financing sources (uses)</b>				
Transfers out	(18,000)	(18,000)	(12,471)	5,529
<b>Total other financing sources (uses)</b>	<b>(18,000)</b>	<b>(18,000)</b>	<b>(12,471)</b>	<b>5,529</b>
Net change in fund balance	(84,216)	(89,816)	30,213	120,029
Fund balance at beginning of year	1,241,177	1,241,177	1,241,177	-
Prior year encumbrances appropriated	2,319	2,319	2,319	-
<b>Fund balance at end of year</b>	<b>\$ 1,159,280</b>	<b>\$ 1,153,680</b>	<b>\$ 1,273,709</b>	<b>\$ 120,029</b>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police District*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 1,286,079	\$ 1,286,479	\$ 1,286,549	\$ 70
Licenses, permits and fees	-	-	40	40
Intergovernmental	133,975	133,575	135,222	1,647
Total receipts	1,420,054	1,420,054	1,421,811	1,757
<b>Disbursements</b>				
Current:				
General government	7,075	7,075	6,902	173
Public safety	1,474,810	1,454,594	1,385,715	68,879
Capital outlay	50,000	70,216	70,200	16
Total disbursements	1,531,885	1,531,885	1,462,817	69,068
Excess of receipts under disbursements	(111,831)	(111,831)	(41,006)	70,825
<b>Other financing sources (uses)</b>				
Transfers in	-	-	7,471	7,471
Total other financing sources (uses)	-	-	7,471	7,471
Net change in fund balance	(111,831)	(111,831)	(33,535)	78,296
Fund balance at beginning of year	476,423	476,423	476,423	-
Prior year encumbrances appropriated	3,285	3,285	3,285	-
Fund balance at end of year	<u>\$ 367,877</u>	<u>\$ 367,877</u>	<u>\$ 446,173</u>	<u>\$ 78,296</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire District*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 678,566	\$ 678,565	\$ 681,638	\$ 3,073
Intergovernmental	67,000	67,000	70,378	3,378
Miscellaneous	-	-	100	100
Total receipts	745,566	745,565	752,116	6,551
<b>Disbursements</b>				
Current:				
General government	8,275	8,275	7,868	407
Public safety	811,614	808,613	664,918	143,695
Capital outlay	42,791	45,791	45,453	338
Total disbursements	862,680	862,679	718,239	144,440
Net change in fund balance	(117,114)	(117,114)	33,877	150,991
Fund balance at beginning of year	448,019	448,019	448,019	-
Prior year encumbrances appropriated	15,993	15,993	15,993	-
Fund balance at end of year	<u>\$ 346,898</u>	<u>\$ 346,898</u>	<u>\$ 497,889</u>	<u>\$ 150,991</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road District*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 434,524	\$ 433,753	\$ 433,753	\$ -
Licenses, permits and fees	15,000	15,000	19,129	4,129
Intergovernmental	12,000	12,004	12,173	169
Miscellaneous	-	-	1,207	1,207
Total receipts	461,524	460,757	466,262	5,505
<b>Disbursements</b>				
Current:				
Public works	576,669	504,969	385,937	119,032
Capital outlay	-	71,700	71,700	-
Total disbursements	576,669	576,669	457,637	119,032
Excess of receipts under disbursements	(115,145)	(115,912)	8,625	124,537
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	22,899	22,899
Total other financing sources (uses)	-	-	22,899	22,899
Net change in fund balance	(115,145)	(115,912)	31,524	147,436
Fund balance at beginning of year	287,367	287,367	287,367	-
Prior year encumbrances appropriated	6,319	6,319	6,319	-
Fund balance at end of year	\$ 178,541	\$ 177,774	\$ 325,210	\$ 147,436

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Local Fiscal Recovery Plan*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Intergovernmental	\$ 433,722	\$ 433,722	\$ 433,722	\$ -
Earnings on investments	-	-	7	7
Total receipts	433,722	433,722	433,729	7
<b>Disbursements</b>				
Capital outlay	433,722	433,722	25,577	408,145
Total disbursements	433,722	433,722	25,577	408,145
Net change in fund balance	-	-	408,152	408,152
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 408,152	\$ 408,152

See accompanying notes to the financial statements.



**Lawrence Township**  
**Stark County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
Fire and Rescue, Ambulance and EMS Serv.  
For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 169,428	\$ 69,428
Total receipts	100,000	100,000	169,428	69,428
<b>Disbursements</b>				
Current:				
Public safety	169,211	169,211	52,477	116,734
Total disbursements	169,211	169,211	52,477	116,734
Net change in fund balance	(69,211)	(69,211)	116,951	186,162
Fund balance at beginning of year	386,954	386,954	386,954	-
Prior year encumbrances appropriated	23,211	23,211	23,211	-
Fund balance at end of year	<u>\$ 340,954</u>	<u>\$ 340,954</u>	<u>\$ 527,116</u>	<u>\$ 186,162</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Fiduciary Net Position - Cash Basis*  
*December 31, 2021*

	Other Custodial
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 3,039
Total assets	3,039
<b>Net Position</b>	
Restricted for:	
Charitable Donations	3,039
Total net position	\$ 3,039

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**

*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*For the Year Ended December 31, 2021*

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	Other Custodial
<b>Additions</b>	
Other amounts collected for distribution	\$ 2,200
Total additions	2,200
<b>Deductions</b>	
Other distributions	2,400
Total deductions	2,400
Change in net position	(200)
Net position beginning of year	3,239
Net position end of year	\$ 3,039

See accompanying notes to the financial statements.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**Note 1 – Reporting Entity**

Lawrence Township, Stark County, Ohio (the Township), is a body politic and corporate established in 1815 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 solely of the primary government.

**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, zoning services, police and fire protection, and emergency medical services.

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

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This 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 cash basis of accounting. The following are the more significant of the Township's policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

The statement of net position presents the cash balances 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 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 are 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 cash basis or draws from the Township's general receipts.

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. Fiduciary funds are reported by type.

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 divided into two categories: governmental and fiduciary.

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 major governmental funds are the General Fund, Police District Fund, Fire District Fund, Road District Fund, Local Fiscal Recovery Plan Fund and Fire and Rescue, Ambulance and EMS Services 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 Road District Fund is used to account for a portion of property tax revenue received and used for the purpose of maintaining Township roads.

The Police District Fund is used to account for the portion of property tax revenue received and used for the purpose of maintaining the Township police department.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

The Fire District Fund is used to account for the portion of property tax revenue received and used for the purpose of providing fire protection services for the Township.

The Local Fiscal Recovery Plan is used to account for the funds received from the American Rescue Plan Act for the purpose of mitigating the effects of the public health emergency stemming from the Coronavirus Disease (COVID 19).

The Fire and Rescue, Ambulance and EMS Services Fund is used to account for the funds received from EMS billing and used for the purpose of providing EMS Service.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The Township's fiduciary funds are classified as custodial funds. Custodial funds are purely custodial in nature and are used to account for assets held by the Township for individuals, other governments, or other organizations. The Township's custodial funds account for amounts donated to Adopt-a-Family.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, 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 appropriation resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the object level. The legal level of control has been classified so as to set forth separately the amounts appropriated for each fund.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**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 Township 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. 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 resolution 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 resolution 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”.

During 2021 the Township invested in money market account at Huntington Bank.

Investments are reported as assets. 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 negative receipts (contra revenue), respectively.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 were \$577.

**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. The Township has no restricted assets.

**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.

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

**I. 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 cash basis of accounting.

**J. 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.

**K. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Position**

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for special revenue funds.

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



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

**N. Fund Balance Reserves**

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

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

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**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 Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund, Police District fund, Fire District fund, Road District fund, Local Fiscal Recovery Plan fund and Fire and Rescue Ambulance EMS fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are (1) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis) and (2) a perspective difference for the Zoning fund which is presented in the General fund on the financial statements, but budgeted separately. The encumbrances outstanding at year end (budgetary basis) amounted to \$5,857 for the General fund; \$45,803 for the Police Fund; \$9,751 for the Fire Fund; \$12,408 for the Road District Fund and \$4,374 for the Fire and Rescue Ambulance EMS fund. The perspective difference in the General fund is (\$28,752) net change in fund balance.

**Note 4 – Deposits and Investments**

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Township's Treasury, in commercial accounts payable or withdrawable on demand money market deposit accounts.

Inactive deposits are public deposits that the Township has identified as not required for use within the current two-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. 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.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of state to secure repayment of all public monies deposited in the financial institution.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

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

1. United States 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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) and (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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. Except as noted above an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and just be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer of, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

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 year end, the carrying amount of the Township's deposits was \$4,200,954 and the bank balances were \$4,212,271. None of the bank balance was 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 the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits totaling \$250,000 were covered by FDIC insurance and the remainder was covered by the collateral pool.

Investments

State Statute and Board resolutions authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. 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. Payment for investments may be made only upon delivery of securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Township has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Township follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at cost.

At December 31, 2021 the Township had no investments.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**Note 5 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2019, on the assessed values as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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 personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2021 was \$15.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real Property	
Residential and Agriculture	\$183,214,220
Other	\$5,760,280
Public Utility Property	
Personal	\$9,108,300
Total Assessed Value	<u>\$198,082,800</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 6 - Risk Management**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020 (latest information available).

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020 (latest information available).

Assets	\$18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

The Township pays the State Workers' Compensation System a premium based on a percentage of employee salaries. This rate is based on accident history and administrative costs.

**Note 7- Defined Benefit Pension Plan**

Ohio Public Employees Retirement System

Plan Description – Township employees participate in the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the Member-Directed Plan and the Combined Plan, substantially all members are in the OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional and Combined Plans. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <http://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional and Combined Plans as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for the additional information, including requirements for reduced and unreduced benefits):

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a Traditional Plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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

Defined Contribution Plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institutions, receipt of the entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
<b>2021 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2021 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
<b>Total Employer</b>	<b>14.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Employee</b>	<b>10.0 %</b>	<b>12.0 %</b>	<b>13.0 %</b>
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township’s contractually required contribution was \$310,784 for year 2021.



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

Social Security

Some of the Township’s employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 8- Postemployment Benefits**

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional Pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retire, spouses and dependents at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare professionally, managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service an age when they first enrolled in OPERS coverage. Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**Note 8- Postemployment Benefits (continued)**

In order to qualify for postemployment health care coverage, age-and service retirees under the Traditional Pension and Combined Plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60 or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1,2022) to participate in the OPERS health care program will continue to be eligible after January 1,2022. Eligibility requirements will change for those retiring after January 1,2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS ACFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided by Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#ACFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy- The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS board of trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated apportion of its employer contributions to health care for the traditional and combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2021.

**Note 9 – Debt**

The Township has no long-term debt.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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**Note 10 – Leases**

The Township leases buildings, vehicles and other equipment under non- cancelable leases.

Road	2022	\$	55,428
	2023		55,428
	2024		<u>55,428</u>
		\$	166,285

**Note 11 – Jointly Governed Organizations**

The Stark Council of Governments (Council) is a statutorily created political subdivision of Ohio for the purpose for 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. The Council 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 over Council operations. Complete financial statements may be obtained from the Stark Council of Governments, Canton, Ohio.

**Note 12- Transfers**

Following is a summary of transfers in and out for all funds for 2021:

<b><u>FUND</u></b>	<b><u>Transfer In</u></b>	<b><u>Transfer Out</u></b>
General Fund		\$12,471
Police Fund	\$7,471	
Other Governmental Funds	<u>\$5,000</u>	
Total	\$12,471	\$12,471

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; and to use unrestricted receipts collected to the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 13 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2021 Fund Balances	General	Police District	Fire District	Road District	Local Fiscal Recovery	Fire & RSC Ambulance EMS Serv	Other Governmenta l Funds	Total
<b>Restricted for</b>								
Police Operations	\$ -	\$ 491,977	\$ -	\$ -	\$ -	\$ -	\$ 52,616	\$ 544,593
Fire Operations	-	-	507,640	-	-	-	-	507,640
Road and Bridge Maintenance	-	-	-	337,618	-	-	481,862	819,480
Local Fiscal Recovery	-	-	-	-	408,152	-	-	408,152
Emergency Medical Services	-	-	-	-	-	531,431	2,295	533,726
Lighting District	-	-	-	-	-	-	3,591	3,591
Public Safety	-	-	-	-	-	-	56,774	56,774
Recreation Programs	-	-	-	-	-	-	15,641	15,641
Subtotal	-	491,977	507,640	337,618	408,152	531,431	612,779	2,889,597
<b>Assigned for</b>								
Encumbrances	7,289	-	-	-	-	-	-	7,289
Subsequent Appropriations	84,683	-	-	-	-	-	-	84,683
Subtotal	91,972	-	-	-	-	-	-	91,972
<b>Unassigned</b>	<b>1,215,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,215,346</b>
Total Fund Cash Balances, Dec 31	\$ 1,307,318	\$ 491,977	\$ 507,640	\$ 337,618	\$ 408,152	\$ 531,431	\$ 612,779	\$ 4,196,915

**Note 14 – Covid-19**

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

During 2021, the Township received ARP Act funding in the amount of \$433,722. Of the amounts received, \$25,577 was spent on Clean Water: Stormwater. The amounts are reflected as general government expenditures in the Local Fiscal Recovery Fund on the accompanying financial statements.

**Note 15 – Subsequent Event**

During 2020, the Township Trustees were not paid based on rates of compensation allowed. Two Trustees were underpaid \$3,020, and one was underpaid \$3,473. The Fiscal Officer was underpaid \$2,971 for the same period. The underpayments will be made up in 2022.

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

Lawrence Township  
Stark County  
5828 Manchester Avenue  
North Lawrence, OH 44666

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence Township, Stark County, (the Township) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 28, 2022, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.


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

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

However, we noted a certain other matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 28, 2022.

### **Purpose of this Report**

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



**Charles E. Harris & Associates, Inc.**  
June 28, 2022

**INDEPENDENT AUDITOR'S REPORT**

Lawrence Township  
Stark County  
5828 Manchester Avenue  
North Lawrence, Ohio 44666

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Lawrence Township, Stark County, Ohio (the Township), as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence Township, Stark County, Ohio, as of December 31, 2020 and the changes in cash basis financial position and the budgetary comparison for the General, Police District, Fire District and Road District funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Emphasis of Matter**

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

**Other Matter**

*Other Information*

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
June 28, 2022



**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

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This discussion and analysis of Lawrence Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2020, within the limitations of the Township's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

**Financial Highlights**

Key highlights for 2020 are as follows:

In 2020, net position of the governmental activities increased \$532,810 or 18 percent from the prior year. The fund most affected by an increase in cash and cash equivalents were the Fire and Coronavirus Relief fund. The Township's general receipts are primarily property taxes. These receipts represent \$2,716,359 or 65 percent of total cash receipts for governmental activities for 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 cash basis of accounting.

**Report Components**

The Statement of Net Position 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the 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 cash basis of accounting.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

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**Reporting the Township as a Whole**

The Statement of Net Position and the Statement of Activities reflect how the Township did financially during 2020, within the limitations of the cash basis of accounting. The Statement of Net Position 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. Program receipts include charges paid by the recipient of the program's goods or services and 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 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 cash basis of accounting, these changes can be thought of as a way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position are 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 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 taxes.

In the Statement of Net Position and the Statement of Activities, the Township has one type of activity:

Governmental activities - All of the Township's basic services are reported here, including police, fire, road and zoning. State grants and property taxes 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. The funds of the Township are all governmental in nature.

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 are the General fund, Police District fund, Fire District fund and the Road District fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

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**The Township as a Whole**

Table 1 provides a summary of the Township's net position for 2020 compared to 2019 on a cash basis:

(Table 1)  
**Net Position**

	Governmental Activities	
	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 3,506,708	\$ 2,973,928
<b>Net position</b>		
Restricted for:		
Other purposes	2,234,490	1,794,007
Unrestricted	1,272,248	1,179,921
Total net position	\$ 3,506,738	\$ 2,973,928

As mentioned previously, net position of governmental activities increased \$532,810 or 18 percent during 2020.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

Table 2 reflects the changes in net position in 2020 and 2019.

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

	Governmental Activities 2020	Governmental Activities 2019
Receipts:		
Program receipts:		
Charges for services and sales	\$ 167,299	\$ 164,194
Operating grants and contributions	1,172,067	652,419
Total program receipts	<u>1,339,366</u>	<u>816,613</u>
General receipts:		
Property and other local taxes	2,716,359	2,230,836
Grants and Entitlements Not Restricted	3,121	34,441
Sale of capital assets	4,015	172,367
Cable franchise fees	110,737	116,249
Earnings on investments	3,791	4,921
Miscellaneous	9,740	10,937
Total general receipts	<u>2,847,763</u>	<u>2,569,751</u>
Total receipts	<u>4,187,129</u>	<u>3,386,364</u>
Disbursements:		
Current:		
General government	239,189	266,083
Public safety	2,100,196	1,740,967
Public works	815,159	813,930
Health	51,001	44,679
Conservation-recreation	6,718	9,558
Capital outlay	442,056	259,535
Total disbursements	<u>3,654,319</u>	<u>3,134,752</u>
Increase (decrease) in net position	532,810	251,612
Net position, January 1	2,973,928	2,722,316
Net position, December 31	<u>\$ 3,506,738</u>	<u>\$ 2,973,928</u>

Program receipts represent 32 percent of total receipts in 2020 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and culvert permits.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

General receipts represent 68 percent of the Township's total receipts, and of this amount, 95 percent are Property Taxes. Miscellaneous receipts, cable franchise fees and local government distributions make up the balance of the Townships general receipts.

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 costs of Trustees, the fiscal office, zoning, and maintenance departments. Since these costs do not represent direct services to residents, we try to limit these costs to 15% of General fund unrestricted receipts.

Public Safety is the cost of police and fire protection and Public Works is the cost of maintaining the roads.

**Governmental Activities**

If you look at the Statements of Activities, 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 major program disbursements for governmental activities in 2020 are for Public Safety, which accounts for 56 percent of all governmental disbursements. The next two columns of the Statement, entitled Program Cash Receipts identify amounts paid by users who are directly charged for the service and grants restricted as to use. 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 and identifies dependence upon 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.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020	2020	2019	2019
Current:				
General government	\$ 239,189	\$ 390,625	\$ 266,083	\$ (118,506)
Public safety	2,100,196	(1,702,439)	1,740,967	(1,383,902)
Pulic works	815,159	(507,118)	813,930	(502,469)
Health	51,001	(47,397)	44,679	(44,679)
Conservation-recreation	6,718	(6,568)	49,772	(49,522)
Other	-	-	-	100
Capital Outlay	442,056	(442,056)	259,535	(259,535)
Total expenses	<u>\$ 3,654,319</u>	<u>\$ (2,314,953)</u>	<u>\$ 3,174,966</u>	<u>\$ (2,358,513)</u>

**The Township's Funds**

In 2020, the Township's funds had receipts of \$4,187,129 and disbursements of \$3,654,319.

**Lawrence Township**  
**Stark County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Unaudited)*

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**General Fund Budgeting Highlights**

During 2020, the Township amended its General fund budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$405,069 while actual disbursements were \$296,341. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

**Capital Assets and Debt Administration**

Capital Assets

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

Debt

At December 31, 2020 the Township's outstanding debt included \$258,085 in leases for equipment.

**Current Issues**

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

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**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 Cynthia Meisner, Fiscal Officer, 5828 Manchester Ave. NW, North Lawrence, Ohio 44666.

**Lawrence Township**  
**Stark County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2020*

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	Governmental Activities
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 3,506,738
Total assets	<u>3,506,738</u>
<b>Net Position</b>	
Restricted for:	
Other purposes	2,234,490
Unrestricted	<u>1,272,248</u>
Total net position	<u>\$ 3,506,738</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2020*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants Contributions and Interest	Receipts and Changes in Net Position
				Governmental Activities
<b>Governmental Activities</b>				
Current:				
General government	\$ 239,189	\$ 10,688	\$ 619,126	\$ 390,625
Public safety	2,100,196	134,647	262,665	(1,702,884)
Public works	815,159	21,814	286,672	(506,673)
Health	51,001	-	3,604	(47,397)
Conservation-recreation	6,718	150	-	(6,568)
Capital outlay	442,056	-	-	(442,056)
<b>Total governmental activities</b>	<b>\$ 3,654,319</b>	<b>\$ 167,299</b>	<b>\$ 1,172,067</b>	<b>(2,314,953)</b>
<b>General Receipts</b>				
Property taxes levied for:				
				345,011
				1,943,321
				428,027
Grants and entitlements not restricted				
				to specific programs 3,121
				Sale of capital assets 4,015
				Cable franchise fees 110,737
				Earnings on investment 3,791
				Miscellaneous 9,740
				<b>Total general receipts 2,847,763</b>
				Change in net position 532,810
				Net position beginning of year 2,973,928
				<b>Net position end of year \$ 3,506,738</b>

See accompanying notes to the financial statements.



**Lawrence Township**  
**Stark County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2020*

	General	Police District	Fire District	Road District	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in pooled cash and cash equivalents	\$ 1,272,248	\$ 479,708	\$ 464,012	\$ 293,686	\$ 997,084	\$ 3,506,738
Total assets	1,272,248	479,708	464,012	293,686	997,084	3,506,738
<b>Fund Balances</b>						
Restricted	-	479,708	464,012	293,686	997,084	2,234,490
Assigned	84,266	-	-	-	-	84,266
Unassigned	1,187,982	-	-	-	-	1,187,982
Total fund balances	<u>\$ 1,272,248</u>	<u>\$ 479,708</u>	<u>\$ 464,012</u>	<u>\$ 293,686</u>	<u>\$ 997,084</u>	<u>\$ 3,506,738</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2020*

	General	Police District	Fire District	Road District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and other local taxes	\$ 104,706	\$ 1,270,306	\$ 673,015	\$ 428,027	\$ 240,305	\$ 2,716,359
Charges for services	-	-	-	-	125,366	125,366
Licenses, permits and fees	121,425	610	-	21,814	150	143,999
Fines and forfeitures	7,471	-	-	-	5,118	12,589
Intergovernmental	169,863	155,114	91,666	32,812	712,392	1,161,847
Special assessments	-	-	-	-	9,395	9,395
Earnings on investments	3,616	-	-	-	203	3,819
Miscellaneous	392	4,838	2,112	2,358	40	9,740
<b>Total receipts</b>	<b>407,473</b>	<b>1,430,868</b>	<b>766,793</b>	<b>485,011</b>	<b>1,092,969</b>	<b>4,183,114</b>
<b>Disbursements</b>						
Current:						
General government	222,706	5,955	6,727	-	3,801	239,189
Public safety	2,915	1,267,804	611,933	-	217,544	2,100,196
Public works	2,400	-	-	391,989	420,770	815,159
Health	51,001	-	-	-	-	51,001
Conservation-recreation	-	-	-	-	6,718	6,718
Capital outlay	15,000	151,003	36,373	-	239,680	442,056
<b>Total disbursements</b>	<b>294,022</b>	<b>1,424,762</b>	<b>655,033</b>	<b>391,989</b>	<b>888,513</b>	<b>3,654,319</b>
Excess of receipts over (under) disbursements	113,451	6,106	111,760	93,022	204,456	528,795
<b>Other financing sources (uses)</b>						
Sale of capital assets	15	4,000	-	-	-	4,015
Transfers in	-	6,139	-	-	15,000	21,139
Transfers out	(21,139)	-	-	-	-	(21,139)
<b>Total other financing sources (uses)</b>	<b>(21,124)</b>	<b>10,139</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>4,015</b>
Net change in fund balance	92,327	16,245	111,760	93,022	219,456	532,810
Fund balances beginning of year	1,179,921	463,463	352,252	200,664	777,628	2,973,928
Fund balances end of year	<u>\$ 1,272,248</u>	<u>\$ 479,708</u>	<u>\$ 464,012</u>	<u>\$ 293,686</u>	<u>\$ 997,084</u>	<u>\$ 3,506,738</u>

See accompanying notes to the financial statements.

**Lawrence 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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 105,000	\$ 104,000	\$ 104,706	\$ 706
Licenses, permits and fees	123,000	123,000	121,425	(1,575)
Fines and forfeitures	-	-	7,471	7,471
Intergovernmental	76,992	77,992	169,863	91,871
Earnings on investments	-	-	3,616	3,616
Miscellaneous	-	-	392	392
<b>Total receipts</b>	<b>304,992</b>	<b>304,992</b>	<b>407,473</b>	<b>102,481</b>
<b>Disbursements</b>				
Current:				
General government	322,465	325,069	225,025	100,044
Public safety	-	3,000	2,915	85
Health	56,500	53,500	51,001	2,499
Public works	2,500	2,500	2,400	100
Capital outlay	21,000	21,000	15,000	6,000
<b>Total disbursements</b>	<b>402,465</b>	<b>405,069</b>	<b>296,341</b>	<b>108,728</b>
Excess of receipts under disbursements	(97,473)	(100,077)	111,132	211,209
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	15	15
Transfers out	(22,000)	(23,000)	(21,139)	1,861
<b>Total other financing sources (uses)</b>	<b>(22,000)</b>	<b>(23,000)</b>	<b>(21,124)</b>	<b>1,876</b>
Net change in fund balance	(119,473)	(123,077)	90,008	213,085
Fund balance at beginning of year	1,149,649	1,149,649	1,149,649	-
Prior year encumbrances appropriated	1,520	1,520	1,520	-
<b>Fund balance at end of year</b>	<b>\$ 1,031,696</b>	<b>\$ 1,028,092</b>	<b>\$ 1,241,177</b>	<b>\$ 213,085</b>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police District*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 1,237,621	\$ 1,253,621	\$ 1,270,306	\$ 16,685
Licenses, permits and fees	1,000	300	610	310
Intergovernmental	155,956	140,656	155,114	14,458
Miscellaneous	-	-	4,838	4,838
Total receipts	1,394,577	1,394,577	1,430,868	36,291
<b>Disbursements</b>				
Current:				
General government	6,060	6,060	5,955	105
Public safety	1,405,108	1,391,648	1,271,089	120,559
Capital outlay	137,544	151,004	151,003	1
Total disbursements	1,548,712	1,548,712	1,428,047	120,665
Excess of receipts under disbursements	(154,135)	(154,135)	2,821	156,956
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	4,000	4,000
Transfers in	5,800	5,800	6,139	339
Total other financing sources (uses)	5,800	5,800	10,139	4,339
Net change in fund balance	(148,335)	(148,335)	12,960	161,295
Fund balance at beginning of year	367,222	367,222	367,222	-
Prior year encumbrances appropriated	96,241	96,241	96,241	-
Fund balance at end of year	<u>\$ 315,128</u>	<u>\$ 315,128</u>	<u>\$ 476,423</u>	<u>\$ 161,295</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Fire District*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 658,410	\$ 671,410	\$ 673,015	\$ 1,605
Intergovernmental	81,000	68,000	91,666	23,666
Miscellaneous	-	-	2,112	2,112
Total receipts	739,410	739,410	766,793	27,383
<b>Disbursements</b>				
Current:				
General government	8,060	8,016	6,727	1,289
Public safety	736,841	736,885	623,201	113,684
Capital outlay	60,000	60,000	41,098	18,902
Total disbursements	804,901	804,901	671,026	133,875
Net change in fund balance	(65,491)	(65,491)	95,767	161,258
Fund balance at beginning of year	347,929	347,929	347,929	-
Prior year encumbrances appropriated	4,323	4,323	4,323	-
Fund balance at end of year	<u>\$ 286,761</u>	<u>\$ 286,761</u>	<u>\$ 448,019</u>	<u>\$ 161,258</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Road District*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and other local taxes	\$ 366,136	\$ 428,000	\$ 428,027	\$ 27
Licenses, permits and fees	2,500	-	21,814	21,814
Intergovernmental	71,688	11,900	32,812	20,912
Miscellaneous	-	-	2,358	2,358
Total receipts	440,324	439,900	485,011	45,111
<b>Disbursements</b>				
Current:				
Public works	494,932	494,932	398,308	96,624
Total disbursements	494,932	494,932	398,308	96,624
Net change in fund balance	(54,608)	(55,032)	86,703	141,735
Fund balance at beginning of year	196,800	196,800	196,800	-
Prior year encumbrances appropriated	3,864	3,864	3,864	-
Fund balance at end of year	<u>\$ 146,056</u>	<u>\$ 145,632</u>	<u>\$ 287,367</u>	<u>\$ 141,735</u>

See accompanying notes to the financial statements.

**Lawrence Township**  
**Stark County**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Fund*  
*December 31, 2020*

	Custodial
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 3,239
Total assets	3,239
<b>Net Position</b>	
Restricted for:	
Charitable Donations	3,239
Total net position	\$ 3,239

See accompanying notes to the financial statements.

**Lawrence Township  
Stark County**

*Statement of Changes in Fiduciary Net Position - Cash Basis  
For the Year Ended December 31, 2020*

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	Other Custodial
<b>Additions</b>	
Amounts held for employees	\$ 2,560
Total additions	<u>2,560</u>
<b>Deductions</b>	
Distributions on behalf of employees	<u>2,121</u>
Total deductions	<u>2,121</u>
Change in net position	439
Net position beginning of year	<u>2,800</u>
Net position end of year	<u><u>\$ 3,239</u></u>

See accompanying notes to the financial statements.



Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 1 – Reporting Entity**

Lawrence Township, Stark County, Ohio (the Township), is a body politic and corporate established in 1815 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 solely of the primary government.

**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, zoning services, police and fire protection, and emergency medical services. The Township contracts with the North Lawrence Volunteer Fire Department to provide fire protection and emergency medical services to the southwestern portion of the township.

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

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This 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 cash basis of accounting. The following are the more significant of the Township's policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

The statement of net position presents the cash balances 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 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 are 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 cash basis or draws from the Township's general receipts.

**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. Fiduciary funds are reported by type.

**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 divided into two categories: governmental and fiduciary.

**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 major governmental funds are the General Fund, Police District Fund, Fire District Fund, and Road District 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 Road District Fund is used to account for a portion of property tax revenue received and used for the purpose of maintaining Township roads.

The Police District Fund is used to account for the portion of property tax revenue received and used for the purpose of maintaining the Township police department.

The Fire District Fund is used to account for the portion of property tax revenue received and used for the purpose of providing fire protection services for the Township.

The other governmental funds of the Township account for and report grants and other resources, whose use is restricted to a particular purpose.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The Township's fiduciary funds are classified as custodial funds. Custodial funds are purely custodial in nature and are used to account for assets held by the Township for individuals, other governments, or other organizations. The Township's custodial funds account for amounts donated to Adopt-a-Family.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. 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 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, 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 appropriation resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the object level. The legal level of control has been classified so as to set forth separately the amounts appropriated for each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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. 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 resolution 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 resolution 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.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

**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”.

During 2020 the Township invested in money market account at Huntington Bank.

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.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2020 were \$3,616.

**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. The Township has no restricted assets.

**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. 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 cash basis of accounting.

**J. 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.

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

**K. Long-Term Obligations**

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**M. Net Position**

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for special revenue funds.

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

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

*Assigned* Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

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

**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 Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund, Police District fund, Fire District fund, and Road District fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are (1) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis) and (2) a perspective difference for the Zoning fund which is presented in the General fund on the financial statements, but budgeted separately. The encumbrances outstanding at year end (budgetary basis) amounted to \$2,319 for the General fund; \$3,285 for the Police Fund; \$15,994 for the Fire Fund; and \$6,319 for the Road District Fund. The perspective difference in the General fund is (\$27,185) net change in fund balance.

**Note 4 – Deposits and Investments**

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Township's Treasury, in commercial accounts payable or withdrawable on demand money market deposit accounts.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

Inactive deposits are public deposits that the Township has identified as not required for use within the current two-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. 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.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of state to secure repayment of all public monies deposited in the financial institution.

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

1. United States 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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

8. Written repurchase agreements in the securities described in (1) and (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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. Except as noted above an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and just be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer of, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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.

Deposits

At year-end, the carrying amount of the Township's deposits was \$3,509,977 and the bank balance was \$3,610,447. None of the bank balance was 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 the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits totaling \$250,000 were covered by FDIC insurance and the remainder was covered by the collateral pool.



Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

**Investments**

State Statute and Board resolutions authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. 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. Payment for investments may be made only upon delivery of securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Township has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Township follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at cost.

At December 31, 2021 the Township had no investments.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2018 on the assessed values as of January 1, 2019 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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 personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019 are levied after October 1, 2020 and are collected in 2021 with real property taxes.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 5 – Property Taxes (continued)**

The full tax rate for all Township operations for the year ended December 31, 2020 was 16.05 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2020 property tax receipts were based are as follows:

Real Property	
Residential and Agriculture	\$183,214,220
Other	\$5,760,280
Public Utility Property	
Personal	\$9,108,300
Total Assessed Value	<u>\$198,082,800</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

**Note 6 - Risk Management**

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

The Township pays the State Workers' Compensation System a premium based on a percentage of employee salaries. This rate is based on accident history and administrative costs.

**Note 7- Defined Benefit Pension Plan**

**Ohio Public Employees Retirement System**

Plan Description – Township employees participate in the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the Member-Directed Plan and the Combined Plan, substantially all members are in the OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional and Combined Plans. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <http://www.opers.org/financial/reports.shtml>., by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional and Combined Plans as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for the additional information, including requirements for reduced and unreduced benefits):

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a Traditional Plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

Defined Contribution Plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
<b>2020 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2020 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
<b>Total Employer</b>	<b>14.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Employee</b>	<b>10.0 %</b>	<b>12.0 %</b>	<b>13.0 %</b>
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township’s contractually required contribution was \$251,643 for year 2020.

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

Social Security

Some of the Township’s employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

**Note 8- Postemployment Benefits**

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Please see the Plan Statement in the OPERS ACFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#ACFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. When funding is approved by OPERS board of trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated apportion of its employer contributions to health care for the traditional and combined plan.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 8- Postemployment Benefits** (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Substantially all of the Township's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2020, 2019, and 2018 was \$0 for all years.

**Note 9 – Debt**

The Township has no long-term debt.

**Note 10 – Leases**

The Township leases buildings, vehicles and other equipment under non- cancelable leases.

Fire	2021	<u>\$36,373</u>
		\$36,373
Road	2021	\$55,428
	2022	\$55,428
	2023	\$55,428
	2027	<u>\$55,428</u>
		\$221,713

**Note 11 – Jointly Governed Organizations**

The Stark Council of Governments (Council) is a statutorily created political subdivision of Ohio for the purpose for 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. The Council 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 over Council operations. Complete financial statements may be obtained from the Stark Council of Governments, Canton, Ohio.

Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 12 - Transfers**

Following is a summary of transfers in and out for all funds for 2020:

<b><u>FUND</u></b>	<b><u>Transfer In</u></b>	<b><u>Transfer Out</u></b>
General Fund		\$21,139
Police Fund	\$6,139	
Other Governmental Funds	<u>15,000</u>	
Total	\$21,139	\$21,139

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; or to provide additional resources for current operations or debt service.

**Note 13 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<b>2020 Fund Balances</b>	<b>General</b>	<b>Police District</b>	<b>Fire District</b>	<b>Road District</b>	<b>Other Governmenta l Funds</b>	<b>Total</b>
<b>Restricted for</b>						
Police Operations	\$ -	\$ 479,708	\$ -	\$ -	\$ 52,379	\$ 532,087
Fire Operations	-	-	464,012	-	-	464,012
Road and Bridge Maintenance	-	-	-	293,686	366,542	660,228
Local Fiscal Recovery	-	-	-	-	84,178	84,178
Emergency Medical Services	-	-	-	-	414,490	414,490
Lighting District	-	-	-	-	3,636	3,636
Public Safety	-	-	-	-	63,279	63,279
Recreation Programs	-	-	-	-	12,580	12,580
Subtotal	-	479,708	464,012	293,686	997,084	2,234,490
<b>Assigned for</b>						
Encumbrances	2,319	-	-	-	-	2,319
Subsequent Appropriations	81,947	-	-	-	-	81,947
Subtotal	84,266	-	-	-	-	84,266
<b>Unassigned</b>	1,187,982	-	-	-	-	1,187,982
Total Fund Cash Balances, Dec 31	<u>\$ 1,272,248</u>	<u>\$ 479,708</u>	<u>\$ 464,012</u>	<u>\$ 293,686</u>	<u>\$ 997,084</u>	<u>\$ 3,506,738</u>



Lawrence Township  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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**Note 14 – Covid-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating cost, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$24,600 was sub-granted to three food banks, Salt Box, Bountiful Gifts and Chapel of the Cross. The amounts are reflected as general government expenditures in the Local Fiscal Recovery Fund on the accompanying financial statements.

**Note 15 – Subsequent Event**

During 2020, the Township Trustees were not paid based on rates of compensation allowed. Two Trustees were underpaid \$3,020, and one was underpaid \$3,473. The Fiscal Officer was underpaid \$2,971 for the same period. The underpayments will be made up in 2022.

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

Lawrence Township  
Stark County  
5828 Manchester Avenue  
North Lawrence, Ohio 44666

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lawrence Township, Stark County, Ohio (the Township), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 28, 2022, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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*.

However, we noted a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 28, 2022.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
June 28, 2022

**Lawrence Township**  
Stark County

Summary Schedule of Prior Audit Findings  
(Prepared by Management)  
December 31, 2021 and 2020

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Audit Adjustments and Reclassifications	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**LAWRENCE TOWNSHIP**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/6/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)