



OHIO AUDITOR OF STATE
KEITH FABER



**LAGRANGE TOWNSHIP
LORAIN COUNTY
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DECEMBER 31, 2021 AND 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

LaGrange Township
Lorain County
353 South Center Street
LaGrange, Ohio 44050

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of LaGrange Township, Lorain County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2023, 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.



Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2023

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LaGrange Township
Lorain County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$198,681	\$921,421	\$0	\$1,120,102
Charges for Services	0	201,547	0	201,547
Licenses, Permits and Fees	16,845	23,198	0	40,043
Intergovernmental	90,298	432,920	0	523,218
Earnings on Investments	78	82	0	160
Miscellaneous	14,209	23,469	0	37,678
<i>Total Cash Receipts</i>	<u>320,111</u>	<u>1,602,637</u>	<u>0</u>	<u>1,922,748</u>
Cash Disbursements				
Current:				
General Government	282,297	42,601	0	324,898
Public Safety	0	641,994	0	641,994
Public Works	3,656	387,162	0	390,818
Health	0	35,523	0	35,523
Human Services	0	20,000	0	20,000
Conservation-Recreation	8,574	35,000	0	43,574
Capital Outlay	9,271	54,096	43,197	106,564
Debt Service:				
Principal Retirement	0	49,425	0	49,425
Interest and Fiscal Charges	0	2,934	0	2,934
<i>Total Cash Disbursements</i>	<u>303,798</u>	<u>1,268,735</u>	<u>43,197</u>	<u>1,615,730</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>16,313</u>	<u>333,902</u>	<u>(43,197)</u>	<u>307,018</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	0	386	0	386
Transfers In	0	35,000	75,000	110,000
Transfers Out	(35,000)	(75,000)	0	(110,000)
Advances In	0	4,307	0	4,307
Advances Out	(4,307)	0	0	(4,307)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(39,307)</u>	<u>(35,307)</u>	<u>75,000</u>	<u>386</u>
<i>Net Change in Fund Cash Balances</i>	<u>(22,994)</u>	<u>298,595</u>	<u>31,803</u>	<u>307,404</u>
<i>Fund Cash Balances, January 1</i>	<u>261,361</u>	<u>1,405,773</u>	<u>124,526</u>	<u>1,791,660</u>
<i>Fund Cash Balances, December 31</i>	<u>\$238,367</u>	<u>\$1,704,368</u>	<u>\$156,329</u>	<u>\$2,099,064</u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Fiduciary Fund Type
	Custodial
	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$220
Other Amounts Collected for Distribution	11,754
<i>Total Additions</i>	<u>11,974</u>
Deductions	
Distributions as Fiscal Agent	220
Distributions of Deposits	11,754
<i>Total Deductions</i>	<u>11,974</u>
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balances, January 1</i>	<u>17,107</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$17,107</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the LaGrange Township, Lorain County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township also has an elected Township Fiscal Officer. The Township provides road and bridge maintenance, cemetery maintenance, park maintenance and contracts for fire protection and emergency medical services. Police protection is provided by the Lorain County Sheriff's office.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool. Notes 10 and 11 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Road and Bridge Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire and EMS Levy This fund receives property tax money from a 3.5 mil levy. The funds are for use with providing the Township with Fire protection services and EMS services.

Fire and EMS Equipment Reserve Fund This fund is used to reserve Fire&EMS Levy Fund money for the purchase of Fire and EMS vehicles.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Issue II Fund The township received a grant from the state for capital improvements, which are used for road projects.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for a three percent Board of Building Standards Fees collected on behalf of the state and the collection of fire hydrant monies from new subdivision to be paid to on behalf.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Money Market mutual funds are recorded at the share values the mutual fund reports.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Non-spendable The Township classifies assets as non-spendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five

LaGrange Township
 Lorain County
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

years before they may be utilized by the Township and the non-spendable portion of the corpus in permanent funds.

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

Committed Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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 Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$338,363	\$320,111	(\$18,252)
Special Revenue	1,704,059	1,642,330	(61,729)
Capital Projects	104,654	75,000	(29,654)
Custodial	12,254	11,974	(280)
Total	\$2,159,330	\$2,049,415	(\$109,915)

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,000	\$343,168	\$156,832
Special Revenue	2,816,453	1,343,735	1,472,718
Capital Projects	229,180	43,197	185,983
Custodial	12,361	11,974	387
Total	\$3,557,994	\$1,742,074	\$1,815,920

Note 4 – Deposits and Investments

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

	2021
Cash Management Pool:	
Demand deposits	\$326,204
Other time deposits (savings and NOW accounts)	1,789,967
Total deposits	<u>\$2,116,171</u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$0 in unremitted employee payroll withholdings.

At December 31, 2021, the Township held \$0 in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

Deposits

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2021, \$0 of deposits were not insured or collateralized.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County in February. If the property owner elects to pay semiannually, the first half is due in February. The second half payment is due the following July.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

Note 6 – Risk Management

Risk Pool Membership

LaGrange Township, Lorain County is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

2021

Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2021</i>	<i>10.00%</i>	<i>14.00%</i>

Social Security

Township employees that serve on the Board of Zoning Appeals and the Zoning Commission are not entitled to belong to OPERS; they 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

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

Long-Term Obligations

The Township's long-term debt activity for the year ended December 31, 2021, was as follows:

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	Outstanding 12/31/20	Additions	Deletions	Outstanding 12/31/21	Due in One Year
Long Term Debt Activity					
OPWC Loan - CI39J	\$23,528		(\$2,768)	\$20,760	\$2,768
OPWC Loan - CI23V	9,000		(1,000)	8,000	1,000
OPWC Loan - CI12X	22,054		(919)	21,135	1,838
Leases	91,130		(44,738)	46,392	46,500
Total Long Term Debt Activity	<u>\$145,712</u>	<u>\$0</u>	<u>(\$49,425)</u>	<u>\$96,287</u>	<u>\$52,106</u>

The Township issued an Ohio Public Works Commission loan in 2008 for \$55,361. The loan was issued for Whitney Road Widening and Reconstruction. The loan is a 20-year loan with zero percent interest.

The Township issued an Ohio Public Works Commission loan in 2019 for \$10,000. The loan was issued for Wheeler Road Resurfacing. The loan is a 10-year loan with zero percent interest.

The Township issued an Ohio Public Works Commission loan in 2021 for \$22,054. The loan was issued for Whitney Road Resurfacing. The loan is a 12 year loan with zero percent interest.

The following is a summary of the Township's future annual debt service requirements at year end:

Year	OPWC Loans Principal
2022	\$ 5,606
2023	5,606
2024	5,606
2025	5,606
2026	5,606
2027-2031	19,109
2032-2033	2,757
Total	<u>\$49,895</u>

Leases

The Township leases an EMS Ambulance under noncancelable leases. The Township disbursed \$47,671 in principal and interest to pay lease costs for the year ended December 31, 2021. Future lease payments are as follows:

Year	Principal	Interest
2022	\$ 46,392	\$ 1,279
Total	<u>\$46,392</u>	<u>\$1,279</u>

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Joint Ventures

LaGrange Joint Community Improvement Corporation - LaGrange Township and the Village of LaGrange the LaGrange Community Improvement Corporation in March 2005 to develop and implement a plan for the subdivision, sale, lease, of real estate jointly owned by the Village and Township. LaGrange Community Park - LaGrange Township and the Village of LaGrange formed a joint park and recreation board pursuant to Ohio Revised Code Section 755.14(11) which is a joint venture. The LaGrange Community Park is governed by five members who are residents of either the Village or the Township. A Chairperson is appointed to a term of one year on an alternating basis by the Township and the Village. The other Board members are appointed by the Township and Village proportionately. The Board exercises all powers to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers. The Township appointed a voting majority of the members in fiscal year 2003 and may resolve the Board at any time, upon one year written notice to the Village. Financial information may be obtained by contacting Debbie Zarbaugh, Clerk-Treasurer, at 355 South Center Street, LaGrange, Ohio 44050.

Note 11 – Jointly Governed Organizations

Rural Lorain County Water Authority - The Rural Lorain County Water Authority, a regional water district, is a political subdivision of the State of Ohio created by the Lorain County Common Pleas Court. The Authority was declared by the Court, on August 23, 1973, to be a duly organized regional water district, a political subdivision of the State of Ohio organized under Chapter 6119 of the Ohio Revised Code. The Authority operates under a Board of Trustees, which consists of as many members as equal to the total number of villages and townships within this regional water district.

Northeast Ohio Public Energy Council (NOPEC) - The Northeast Ohio Public Energy Council (NOPEC) is a regional council of governments organized pursuant to Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to service on the eleven —member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board.

Note 12 – Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Authority. The pool's business and affairs are conducted by a seven member Board of Trustees consisting of three members representing the Ohio Township Association; its Executive Director, the President of the OTA Board of Directors, and the Chair of the OTA Insurance Committee, and four members elected by the OTARMA members, serving 4 year terms.

LaGrange Township
 Lorain County
 Notes to the Financial Statements
 For the Year Ended December 31, 2021

Note 13 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	63	0	0	63
Total	\$63	\$0	\$0	\$63

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

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in May, 2023. During 2021, the Township received COVID-19 funding through the American Rescue Plan Act, but no expenditures have been made with this 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 costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

LaGrange Township
Lorain County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$194,222	\$904,500	\$0	\$1,098,722
Charges for Services	0	138,444	0	138,444
Licenses, Permits and Fees	20,184	27,900	0	48,084
Intergovernmental	72,026	443,193	40,000	555,219
Earnings on Investments	375	574	0	949
Miscellaneous	119,079	83,801	0	202,880
<i>Total Cash Receipts</i>	<u>405,886</u>	<u>1,598,412</u>	<u>40,000</u>	<u>2,044,298</u>
Cash Disbursements				
Current:				
General Government	273,678	13,366	0	287,044
Public Safety	0	614,247	0	614,247
Public Works	3,657	367,683	62,054	433,394
Health	0	24,051	0	24,051
Human Services	0	1,200	0	1,200
Conservation-Recreation	5,178	35,000	0	40,178
Capital Outlay	0	16,243	0	16,243
Debt Service:				
Principal Retirement	0	42,381	0	42,381
Interest and Fiscal Charges	0	5,290	0	5,290
<i>Total Cash Disbursements</i>	<u>282,513</u>	<u>1,119,461</u>	<u>62,054</u>	<u>1,464,028</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>123,373</u>	<u>478,951</u>	<u>(22,054)</u>	<u>580,270</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	0	4,650	0	4,650
Transfers In	0	35,000	0	35,000
Transfers Out	(35,000)	0	0	(35,000)
Proceeds of OPWC Loan	0	0	22,054	22,054
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,000)</u>	<u>39,650</u>	<u>22,054</u>	<u>26,704</u>
<i>Net Change in Fund Cash Balances</i>	<u>88,373</u>	<u>518,601</u>	<u>0</u>	<u>606,974</u>
<i>Fund Cash Balances, January 1</i>	<u>172,988</u>	<u>887,172</u>	<u>124,526</u>	<u>1,184,686</u>
Fund Cash Balances, December 31				
Restricted	0	1,405,773	124,526	1,530,299
Unassigned (Deficit)	261,361	0	0	261,361
<i>Fund Cash Balances, December 31</i>	<u>\$261,361</u>	<u>\$1,405,773</u>	<u>\$124,526</u>	<u>\$1,791,660</u>

See accompanying notes to the basic financial statements

LaGrange Township
 Lorain County, Ohio
 Statement of Additions, Deductions
 and Changes in Fund Balance (Regulatory Cash Basis)
 Fiduciary Fund Type
 For the Year Ended December 31, 2020

	Fiduciary Fund Type
	Custodial
Additions	
<i>Total Additions</i>	\$0
Deductions	
<i>Total Deductions</i>	0
<i>Operating Income (Loss)</i>	0
<i>Net Change in Fund Cash Balances</i>	0
<i>Fund Cash Balances, January 1</i>	17,107
<i>Fund Cash Balances, December 31</i>	<u>\$17,107</u>
<i>See accompanying notes to the basic financial statements</i>	

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of LaGrange Township, Lorain County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township is under the jurisdiction of the Lorain County Sheriff to provide police protection services.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool. Notes 9 and 10 to the financial statements provides additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Accounting Policies Basis of Presentation The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for its fiduciary fund type which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Township had the following significant Special Revenue Funds:

Gas Tax Fund

The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund

The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Issue II Fund

The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments that are not available to support the Township's own programs. Custodial Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's custodial funds account for a three percent Board of Building Standards Fees collected on behalf of the state and the collection of fire hydrant monies from new subdivision to pay to the Rural Lorain County Water Authority for the installation of fire hydrants in the subdivision.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) to be budgeted annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

Estimated Resources

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

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Encumbrances

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

Deposits and Investments

Investments The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Non-spendable- The Township classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

Committed - Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*

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

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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 Activity

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$369,085	\$405,886	\$36,801
Special Revenue	1,819,419	1,638,062	(181,357)
Capital Projects	137,054	62,054	(75,000)
Custodial	2,575	0	(2,575)
Total	\$2,328,133	\$2,106,002	(\$222,131)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$456,600	\$317,513	\$139,087
Special Revenue	2,183,872	1,119,461	1,064,411
Capital Projects	112,054	62,054	50,000
Total	\$2,752,526	\$1,499,028	\$1,253,498

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

A summary of the Township's deposit and investment accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$418,885
Other time deposits (savings and NOW accounts)	<u>1,389,882</u>
Total deposits	<u>\$1,808,767</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township; or collateralized through the Ohio Pooled Collateral System (OPCS). The Township's deposits are collateralized by the financial institution's public entity deposit pool.

Note 5 – Property Taxes

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

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

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

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation, The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risksharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The (local entity) is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

2019

Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS' members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2020</i>	<i>10.00%</i>	<i>14.00%</i>

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Social Security

Twenty-four Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The 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

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2020.

Note 9 – Debt

	Outstanding 12/31/19	Additions	Deletions	Outstanding 12/31/20	Due in One Year
Long Term Debt Activity					
OPWC Loan - CI39J	\$23,528			\$23,528	\$2,768
OPWC Loan - CI23V	9,000			\$9,000	1,000
OPWC Loan - CI12X	0	\$22,054		\$22,054	919
Leases	133,511		(\$42,381)	\$91,130	46,407
Total Long Term Debt Activity	<u>\$166,039</u>	<u>\$22,054</u>	<u>(\$42,381)</u>	<u>\$145,712</u>	<u>\$51,094</u>

Leases

The Township leases buildings, vehicles and other equipment under noncancelable leases. The Township disbursed \$47,670 to pay lease costs for the year ended December 31, 2020.

Amortization

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

Year Ending December 31:	Leases
2021	\$47,670
2022	<u>47,670</u>
Total	<u>\$95,340</u>

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

OPWC Loan

Whitney Road Widening \$53,976 original amount. The Township received a loan in from Ohio Public Works in 2008 for the widening of Whitney Road.

Amortization of the above debt, is scheduled as follows:

2021	2,768
2022	2,768
2023	2,768
2024	2,768
2025	2,768
2026-2029	<u>9,688</u>
Total	<u>\$23,528</u>

Wheeler Road Reconstruction original amount \$10,000. The Township received a loan in from Ohio Public Works in 2019 for the widening of Whitney Road.

Amortization of the above debt, is scheduled as follows:

2021	\$1,000
2022	1,000
2023	1,000
2024	1,000
2025	1,000
2026-2030	<u>5,000</u>
Total	<u>\$9,000</u>

The Township received a loan totaling \$22,054 from Ohio Public Works for the Whitney Road Resurfacing.

Amortization of the above debt, is scheduled as follows:

2021	\$919
2022	1,838
2023	1,838
2024	1,838
2025	1,838
2026-2030	9,189
2031-2033	<u>4,594</u>
Total	<u>\$22,054</u>

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Joint Ventures

LaGrange Joint Community Improvement Corporation

LaGrange Township and the Village of LaGrange formed the LaGrange Community Improvement Corporation in March 2005 to develop and implement a plan for the subdivision, sale, lease, of real estate jointly owned by the Village and Township. LaGrange Community Park - LaGrange Township and the Village of LaGrange formed a joint park and recreation board pursuant to Ohio Revised Code Section 755.14(11) which is a joint venture. Five members who are residents of either the Village or the Township govern the LaGrange Community Park. The Township and the Village appoint a Chairperson to a term of one year on an alternating basis. The Township and Village appoint the other Board members proportionately. The Board exercises all powers to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers. The Township appointed a voting majority of the members in fiscal year 2003 and may dissolve the Board at any time, upon one year written notice to the Village. Financial information may be obtained by contacting Debbie Zarbaugh, Clerk-Treasurer, at 353 South Center Street, LaGrange, Ohio 44050.

Note 11 – Jointly Governed Organizations

Rural Lorain County Water Authority

The Rural Lorain County Water Authority, a regional water district, is a political subdivision of the State of Ohio created by the Lorain County Common Pleas Court. The Court, declared the Authority on August 23, 1973, to be a duly organized regional water district, a political subdivision of the State of Ohio organized under Chapter 6119 of the Ohio Revised Code. The Authority operates under a Board of Trustees, which consists of as many members as equal to the total number of villages and townships within this regional water district.

Northeast Ohio Public Energy Council (NOPEC)

The Northeast Ohio Public Energy Council (NOPEC) is a regional council of governments organized pursuant to Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to service on the eleven —member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board.

Note 12 – Public Entity Risk Pool

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2020

sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will affect subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$1,200 was subgranted to other governments and organization and \$86,172 was spent on-behalf of other governments. These amounts are reflected as general government (expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

During 2020, the Township received \$226,298 as an on-behalf of grant from another government. Encumbrances to be carried over to 2021 from these funds are \$7,731 with an unencumbered carry-over of \$132,611. These amounts are recorded in the Coronavirus Relief Special Revenue Fund (See AOS Bulletin 2020-008.)

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

LaGrange Township
Lorain County
353 South Center Street
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts and disbursements by fund type of LaGrange Township, Lorain County, (the Township) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, and have issued our report thereon dated August 22, 2023, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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 purpose 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 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 obtaining reasonable assurance about whether the Township's financial statements are free from 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*.

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.



Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2023

OHIO AUDITOR OF STATE KEITH FABER



LAGRANGE TOWNSHIP

LORAIN 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 9/5/2023

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