



OHIO AUDITOR OF STATE
KEITH FABER



**LAGRANGE TOWNSHIP
LORAIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2023	5
Statement of Additions, Deductions, and Changes in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type – For the Year Ended December 31, 2023	6
Notes to the Financial Statements – For the Year Ended December 31, 2023	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2022	17
Statement of Additions, Deductions, and Changes in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type – For the Year Ended December 31, 2022	18
Notes to the Financial Statements – For the Year Ended December 31, 2022	19
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29
Schedule of Findings.....	31

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

LaGrange Township
353 South Center Street
PO Box 565
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 the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total of LaGrange Township, Lorain County, Ohio (the Township), as of and for the years ended December 31, 2023 and 2022, and 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 fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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 *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 April 15, 2026, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

April 15, 2026

This page intentionally left blank.

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, 2023

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$235,234	\$1,008,374		\$1,243,608
Charges for Services		193,776		193,776
Licenses, Permits and Fees	16,992	33,139		50,131
Intergovernmental	87,622	271,292		358,914
Earnings on Investments	22,792	9,056		31,848
Miscellaneous	10,841	29,617		40,458
<i>Total Cash Receipts</i>	<u>373,481</u>	<u>1,545,254</u>	<u>\$0</u>	<u>1,918,735</u>
Cash Disbursements				
Current:				
General Government	290,133			290,133
Public Safety		722,922		722,922
Public Works	8,666	470,073		478,739
Health		48,708		48,708
Conservation-Recreation	6,793	35,000		41,793
Capital Outlay		133,413		133,413
Debt Service:				
Principal Retirement		8,296		8,296
<i>Total Cash Disbursements</i>	<u>305,592</u>	<u>1,418,412</u>	<u>0</u>	<u>1,724,004</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>67,889</u>	<u>126,842</u>	<u>0</u>	<u>194,731</u>
Other Financing Receipts (Disbursements)				
Transfers In		35,000	50,000	85,000
Transfers Out	(35,000)	(50,000)		(85,000)
Loan Proceeds		6,436		6,436
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,000)</u>	<u>(8,564)</u>	<u>50,000</u>	<u>6,436</u>
<i>Net Change in Fund Cash Balances</i>	32,889	118,278	50,000	201,167
<i>Fund Cash Balances, January 1</i>	<u>327,323</u>	<u>2,470,813</u>	<u>111,565</u>	<u>2,909,701</u>
<i>Fund Cash Balances, December 31</i>	<u>\$360,212</u>	<u>\$2,589,091</u>	<u>\$161,565</u>	<u>\$3,110,868</u>

See accompanying notes to the basic financial statements

LaGrange Township

Lorain County

*Statement of Additions, Deductions
and Changes in Fund Balance (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2023

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Other Amounts Collected for Distribution	<u>\$0</u>
<i>Total Additions</i>	<u>0</u>
Deductions	
Distributions of Deposits	<u>0</u>
<i>Total Deductions</i>	<u>0</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, 2023

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, Public Entity Risk Pools and Related Organizations

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool and is associated with a related organization. Notes 10, 11 and 12 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

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) its 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.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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.

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.

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

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 which 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 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 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 Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the 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 be budgeted annually.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 2023 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 years before they may be utilized by the Township and the non-spendable portion of the corpus in permanent funds.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$366,236	\$373,481	\$7,245
Special Revenue	1,570,383	1,586,690	16,307
Capital Projects	75,000	50,000	(25,000)
Total	\$2,011,619	\$2,010,171	(\$1,448)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$400,000	\$340,592	\$59,408
Special Revenue	2,381,000	1,468,412	912,588
Capital Projects	50,000	0	50,000
Total	\$2,831,000	\$1,809,004	\$1,021,996

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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:

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$1,304,590
Investments:	
STAR Ohio	<u>1,823,385</u>
Total carrying amount of deposits and investments	<u><u>\$3,127,975</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, or 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.

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

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.

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.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 – Risk Management

Risk Pool Membership

The Township 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 Township 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:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

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.

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, 2023.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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, 2023.

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 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2023.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

Long-Term Obligations

The Township's long-term debt activity for the year ended December 31, 2023, was as follows:

	Outstanding 12/31/22	Additions	Deletions	Outstanding 12/31/23	Due in One Year
Long Term Debt Activity					
OPWC Loan - CI39J	\$16,608		(\$2,768)	\$13,840	\$2,768
OPWC Loan - CI23V	7,000		(1,000)	\$6,000	1,000
OPWC Loan - CI12X	19,297		(1,838)	\$17,459	1,838
Penfield OPWC Loan - CI22S	3,403		(1,277)	\$2,126	426
Penfield OPWC Loan - CI46T	3,640		(1,092)	\$2,548	364
Penfield OPWC Loan - CI63Z	0	6,436	(322)	\$6,114	322
Total Long Term Debt Activity	<u>\$49,948</u>	<u>\$6,436</u>	<u>(\$8,297)</u>	<u>\$48,087</u>	<u>\$6,718</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.

LaGrange Township
 Lorain County
 Notes to the Financial Statements
 For the Year Ended December 31, 2023

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.

A Cooperative Agreement exists between Penfield and LaGrange Townships. They split costs from widening Webster Road equally.

Penfield Township issued an Ohio Public Works Commission loan in 2016 for \$17,016. LaGrange is responsible for half of this loan or \$8,508 worth of principal payments. The loan was issued for Webster Road Improvements Phase I. The loan is a 10 year loan with zero percent interest.

Penfield Township issued an Ohio Public Works Commission loan in 2017 for \$14,559. LaGrange is responsible for half of this loan or \$7,280 worth of principal payments. The loan was issued for Webster Road Widening Phase II Asphalt Overlay. The loan is a 10 year loan with zero percent interest.

Penfield Township issued an Ohio Public Works Commission loan in 2023 for \$12,871. LaGrange is responsible for half of this loan or \$6,436 worth of principal payments. The loan was issued for Webster Road TR71 Resurfacing Phase I. The loan is a 10 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	Penfield OPWC Principal	Total
2024	\$5,606	\$1,111	\$6,717
2025	5,606	2,222	7,828
2026	5,606		5,606
2027	5,606		5,606
2028	5,606		5,606
2029	2,838		2,838
2030	1,838		1,838
2031	1,838		1,838
2032	1,838		1,838
2033	917		917
Total	<u>\$37,299</u>	<u>\$3,333</u>	<u>\$40,632</u>

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 10 – Joint Ventures

LaGrange Joint Community Improvement Corporation - LaGrange Township and the Village of LaGrange created 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, 2023

Note 13 – 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 continues. 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.

Note 14 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. However, there were no outstanding encumbrances at December 31, 2023.

Note 15 – Subsequent Events

In November 2024, the Township entered into a 10-year lease agreement to acquire a \$650,000 Heavy Rescue Unit. In December 2025, the Township entered into a 10-year lease agreement to acquire a \$530,000 pumper vehicle. In February 2026, the Township entered into a 5-year lease agreement to acquire a \$239,637 ambulance vehicle.

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, 2022

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$228,923	\$992,747		\$1,221,670
Charges for Services		192,123		192,123
Licenses, Permits and Fees	21,715	48,088		69,803
Intergovernmental	105,772	435,956		541,728
Earnings on Investments	1,410	534		1,944
Miscellaneous	66,507	71,859		138,366
<i>Total Cash Receipts</i>	<u>424,327</u>	<u>1,741,307</u>	<u>\$0</u>	<u>2,165,634</u>
Cash Disbursements				
Current:				
General Government	287,852			287,852
Public Safety		702,279		702,279
Public Works	4,543	308,099		312,642
Health		40,803		40,803
Conservation-Recreation	7,976	35,000		42,976
Intergovernmental			44,764	44,764
Capital Outlay		34,804		34,804
Debt Service:				
Principal Retirement		53,685		53,685
Interest and Fiscal Charges		1,171		1,171
<i>Total Cash Disbursements</i>	<u>300,371</u>	<u>1,175,841</u>	<u>44,764</u>	<u>1,520,976</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>123,956</u>	<u>565,466</u>	<u>(44,764)</u>	<u>644,658</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets		165,979		165,979
Transfers In		35,000		35,000
Transfers Out	(35,000)			(35,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,000)</u>	<u>200,979</u>	<u>0</u>	<u>165,979</u>
<i>Net Change in Fund Cash Balances</i>	88,956	766,445	(44,764)	810,637
<i>Fund Cash Balances, January 1</i>	<u>238,367</u>	<u>1,704,368</u>	<u>156,329</u>	<u>2,099,064</u>
<i>Fund Cash Balances, December 31</i>	<u>\$327,323</u>	<u>\$2,470,813</u>	<u>\$111,565</u>	<u>\$2,909,701</u>

See accompanying notes to the basic financial statements

LaGrange Township

Lorain County

Statement of Additions, Deductions

and Changes in Fund Balance (Regulatory Cash Basis)

Fiduciary Fund Type

For the Year Ended December 31, 2022

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Other Amounts Collected for Distribution	<u>\$5,000</u>
<i>Total Additions</i>	<u>5,000</u>
Deductions	
Distributions of Deposits	<u>5,000</u>
<i>Total Deductions</i>	<u>5,000</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, 2022

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, Public Entity Risk Pools and Related Organizations

The Township participates in jointly governed organizations, joint ventures and a public entity risk pool and is associated with a related organization. Notes 10, 11 and 12 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

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) its 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.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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.

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.

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

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 which 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 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 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 Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the 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 be budgeted annually.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022 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 years before they may be utilized by the Township and the non-spendable portion of the corpus in permanent funds.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 ended December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$391,055	\$424,327	\$33,272
Special Revenue	1,820,589	1,942,286	121,697
Capital Projects	155,000	0	(155,000)
Total	\$2,366,644	\$2,366,613	(\$31)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$343,805	\$335,371	\$8,434
Special Revenue	1,731,986	1,175,841	556,145
Capital Projects	157,250	44,764	112,486
Total	\$2,233,041	\$1,555,976	\$677,065

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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:

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$1,135,034
Other time deposits (Money Market Account)	<u>1,791,774</u>
Total deposits	<u><u>\$2,926,808</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, or 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.

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.

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

The Township 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 Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

- 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:

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

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.

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, 2022.

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.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

Long-Term Obligations

The Township's long-term debt activity for the year ended December 31, 2022, was as follows:

	Outstanding 12/31/21	Additions	Deletions	Outstanding 12/31/22	Due in One Year
Long Term Debt Activity					
OPWC Loan - C139J	\$19,376		(\$2,768)	\$16,608	\$2,768
OPWC Loan - C123V	8,000		(1,000)	\$7,000	1,000
OPWC Loan - C112X	21,135		(1,838)	\$19,297	1,838
OPWC Penfield Loan - C122S	4,254		(851)	\$3,403	851
OPWC Penfield Loan - C146T	4,368		(728)	\$3,640	728
Total Long Term Debt Activity	<u>\$57,133</u>	<u>\$0</u>	<u>(\$7,185)</u>	<u>\$49,949</u>	<u>\$7,185</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.

A Cooperative Agreement exists between Penfield and LaGrange Townships. They split costs from widening of Webster Road equally.

LaGrange Township
 Lorain County
 Notes to the Financial Statements
 For the Year Ended December 31, 2022

Penfield Township issued an Ohio Public Works Commission loan in 2016 for \$17,016. LaGrange is responsible for half of this loan or \$8,508 worth of principal payments. The loan was issued for Webster Road Improvements Phase I. The loan is a 10 year loan with zero percent interest.

Penfield Township issued an Ohio Public Works Commission loan in 2017 for \$14,559. LaGrange is responsible for half of this loan or \$7,280 worth of principal payments. The loan was issued for Webster Road Widening Phase II Asphalt Overlay. The loan is a 10 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	Penfield OPWC Principal	Total Principal
2023	\$5,606	\$1,579	\$7,185
2024	5,606	1,579	7,185
2025	5,606	1,579	7,185
2026	5,606	1,579	7,185
2027	5,606	727	6,333
2028	5,606	-	5,606
2029	2,838	-	2,838
2030	1,838	-	1,838
2031	1,838	-	1,838
2032	1,838	-	1,838
2033	918	-	918
Total	<u>\$42,905</u>	<u>\$7,043</u>	<u>\$49,948</u>

Leases

The Township leases an EMS Ambulance under noncancelable leases. The Township disbursed \$46,500 to pay lease costs for the year ended December 31, 2022. There are no future lease payments as the lease was paid off in 2022.

Note 10 – Joint Ventures

LaGrange Joint Community Improvement Corporation - LaGrange Township and the Village of LaGrange created 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.

LaGrange Township
Lorain County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Note 13 – 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 continues. During 2022, the Township received COVID-19 funding through the American Rescue Plan Act. 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
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, and capital projects would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. However, there were no outstanding encumbrances at December 31, 2022.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
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
353 South Center Street
PO Box 565
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 for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of LaGrange Township, Lorain County, Ohio (the Township) and have issued our report thereon dated April 15, 2026, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a significant deficiency.

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*.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

April 15, 2026

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

SCHEDULE OF FINDINGS

DECMEBER 31, 2023 AND 2022

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2023-001

Significant Deficiency - Failure to Maintain Adequate Accounting Records

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of the financial statements and for providing the auditor with access to all information relevant to the preparation and presentation of those financial statements. This responsibility includes maintaining adequate accounting records and supporting documentation and providing such records in a timely manner to enable completion of audit procedures. Additionally, the engagement letter specifies that the Township will provide all financial records and related information necessary to complete the audit.

The Township was unable to provide sufficient detailed supporting documentation or explanation for multiple items selected for audit testing. Specifically:

- Three of three receipt transactions from the IRS totaling \$1,333.85 and \$1,897.32 in 2023 and 2022, respectively.
- One of two receipt transactions from RITA totaling \$25.76 in 2023.
- One of two receipt transactions from OPERS totaling \$.07 in 2023.
- Six of 65 expenditures paid to the IRS totaling \$7,593.95 and \$2,788.10 in 2023 and 2022, respectively.
- One of 12 expenditures paid to the Ohio Department of Taxation totaling \$1,195.66 in 2022.
- 12 of 29 expenditures paid to OPERS totaling \$48,173.53 and \$43,173.23 in 2023 and 2022, respectively.
- Six of 25 expenditures paid to RITA totaling \$824.38 and \$987.36 in 2023 and 2022, respectively.
- Two of 43 timesheets totaling \$65.20 and \$1,482.20 in 2023 and 2022, respectively.
- 16 of 43 situations where there was not enough information to prove the proper pay rate was used but through alternative procedures, we determined the amounts were at least in line with equivalent employees and/or positions. Transactions totaled \$8,957.07 and \$6,873.32 in 2023 and 2022, respectively.

Inadequate record retention and document management procedures resulted in supporting documentation not being maintained or available for audit. This limitation increases the risk that errors, irregularities, fraud, waste, or noncompliance with applicable laws, regulations, grant requirements, or contractual provisions could occur and remain undetected. Without adequate documentation, the Township may be unable to demonstrate that transactions were properly authorized, allowable, and accurately recorded, which could result in material misstatements in the financial statements, reputational harm, or loss of public trust.

Verified late fees amount to \$207.43 for 2023 and \$148.46 for 2022. Additional fees were likely incurred but cannot be confirmed due to significant gaps in the available documentation noted above.

FINDING NUMBER 2023-001 – (Continued)

The Township should implement procedures to ensure all financial records are properly maintained, retained in accordance with applicable record retention requirements, and readily accessible for audit. Management should establish controls to ensure supporting documentation is preserved, organized, and safeguarded. These measures will help prevent potential limitations on audit scope, reduce the risk of material misstatements, and support transparency and accountability in the Township's financial reporting.

The concerns related to the payment of late fees, penalties, and interest will be further evaluated in the Township's next financial statement audit.

Officials' Response: See Attached Letter on Pages 35-37

OTHER – FINDINGS FOR RECOVERY

FINDING NUMBER 2023-002

Finding for Recovery – Repaid Under Audit

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

LaGrange Township's Personnel Policy and Procedure Manual Chapter Five Section 5.2(H) indicates an employee is entitled to compensation, at his or her current rate of pay, for the prorated portion of any earned but unused vacation leave for the calendar year to his or her credit at the time of retirement. An employee separating from the Township for any other reason shall not receive a prorated vacation payout. Section 6.2(A) indicates the Township shall maintain daily employee attendance records and based on the Township's retention schedule; this is required for a period of three years.

Ohio Rev. Code § 145.01(R)(1)(b) indicates "earnable salary" means all salary, wages, and other earnings paid to a contributor by reason of employment in a position covered by the retirement system, except for payments made by the employer for the conversion of sick leave, personal leave, and vacation leave accrued, but not used if the payment is made during the year in which the leave is accrued, except that payments made pursuant to section 124.383 or 124.386 of the Revised Code are not earnable salary.

Due to a lack of control over the payroll process, Martin J. Squire, Sr. was paid out for 71.50 hours of vacation upon leaving employment but not for retirement reasons on July 8, 2022. At an hourly rate of \$18.50 this amounted to \$1,322.75. In addition, a cash payment benefit of an additional 10% intended to cover the employee share of retirement withholdings was included amounting to \$132.28. The combination of these items resulted in a total over payment to Martin Squire of \$1,455.03.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against Martin J. Squire, Sr., Kathy Poling, Clerk-Treasurer, and her faithful performance of duty coverage issued through Ohio Township Association Risk Management Authority (OTARMA), jointly and severally, in the amount of \$1,455.03 and in favor of the LaGrange Township Road and Bridge Fund.

FINDING NUMBER 2023-002 – (Continued)

The Township should implement procedures to ensure individuals are compensated using the correct leave balances in accordance with the appropriate policy manual. In addition, the Township should ensure retirement contributions are only made on qualifying employee compensation.

On February 26, 2026 Kathy Poling reimbursed the Township \$1,455.03 and therefore this Finding for Recovery is considered repaid under audit.

This matter will also be referred to the Ohio Public Employee Retirement System.

Officials Response: See Attached Letter on Pages 35-37

This page intentionally left blank.



LaGrange Township
Trustees: Rita Canfield, Roger Kuhl, Kelly West
Fiscal Officer: Kathy Poling



March 26, 2026

Ohio Auditor of State
65 East State Street
Columbus, Ohio 43215
ATTN: William Ward/Lindsey Gorning

To the LaGrange Township Audit Team, OH 2022-2023 Audit:

The items below are the Board of Trustees responses outlined in accordance with the Schedule of Findings Letter and are outlined in Blue. These are Trustee responses and Trustees believe the Fiscal Officer will provide her responses accordingly in a separate document:

1. Finding Number 2023-001 Significant Deficiency – Failure to Maintain Adequate Accounting Records
 - Three of three receipt transactions from the IRS totaling \$1,333.85 and \$1,897.32 in 2023 and 2022, respectively. //Fiscal Officer to provide answer//
 - One of two receipt transactions from RITA totaling \$25.72 in 2023. //Fiscal Officer to provide answer//
 - One of two receipt transactions from OPERS totaling \$.07 in 2023. //Fiscal Officer to provide answer//
 - Six of 65 expenditures paid to OPERS totaling \$7,593.95 and \$2,788.10 in 2023 and 2022 respectively. //Fiscal Officer to provide answer//
 - One of 12 expenditures paid to the Department of Taxation totaling \$1,195.66 in 2022. //Fiscal Officer to provide answer//
 - 12 of 29 expenditures paid to OPERS totaling \$48,173.53 and \$43,173.23 in 2023 and 2022 respectively. //Fiscal Officer to provide answer//
 - Six of 25 expenditures paid to RITA totaling \$824.38 and \$987.36 in 2023 and 2022 respectively. //Fiscal Officer to provide answer//
 - Two of 43 timesheets totaling \$65.20 and \$1,482.20 in 2023 and 2022, respectively. //Fiscal Officer to provide answer//
 - 16 of 43 situations where there was not enough information to prove the proper pay rate was used but through alternative procedures we determined the amounts were at least in line with peers. Transactions totaled \$8,957.07 and \$6,873.32 in 2023 and 2022, respectively. //Fiscal Officer to provide answer//

Inadequate record retention and document management procedures resulted in supporting documentation not being maintained or available for audit.

Verified late fees amount to \$207.43 for 2023 and \$148.46 for 2022. Additional fees were likely incurred but cannot be confirmed due to significant gaps in the available documentation noted above. //Fiscal Officer to provide answer//

The Township should implement procedures to ensure all financial records are properly maintained, retained in accordance with applicable records retention requirements, and readily accessible for audit. Management should establish controls to ensure supporting documentation is preserved, organized, and safeguarded. These measures will help prevent potential limitations on audit scope, reduce the risk of material misstatements, and support transparency and accountability in the Township's financial reporting.

Trustee Additional Response to Item 1:

- The Fiscal Officer education upon taking the elected position, to include continued training programs, provide the skills and knowledge necessary to correctly calculate employee wages, retirement system and tax contributions, and to maintain associated records accordingly.
- Positive records control – The Township currently maintains physical records in paper form and are in the process of implementing a digital records conversion. The Fiscal Officer reported in December 2025 and January 2026 at public meetings that 8 boxes of records were missing. Trustees unlocked the records room, located all boxes the Fiscal Officer reported missing, and confirmed the boxes were located at the January 19th Township public special meeting. Two actions occurred from this event: 1) Trustees Signed Resolution 2026-03 on January 19th that among other Cybersecurity and Physical Security measures, immediately implemented a Two-person rule for access into any locked storage area containing any township records, financial and otherwise; and 2) Trustees are assembling a plan to implement a more effective and regimented records retention program and implement a full digitization of previous year records and historical archives. This program not only pertains to finances, but all Township records. Estimated begin date is July 2026.

2. Finding Number 2023-002 Finding for Recovery - Repaid Under Audit

LaGrange Township's Personnel Policy and Procedure Manual Chapter Five Section 5.2 (H) indicates an employee is entitled to compensation, at his or her current rate of pay, for the prorated portion of any earned but unused vacation leave for the calendar year to his or her credit at the time of retirement. An employee separating from the Township for any other reason shall not receive a prorated vacation payout. Section 6.2(A) indicates the Township shall maintain daily employee attendance records and based on the Township's retention schedule; this is required for a period of 3 years.

Due to lack of control over the payroll process, Martin J. Squire, Sr., was paid out for 71.50 hours of vacation upon leaving employment but not for retirement reasons on July 8th, 2022. At an hourly rate of \$18.50, this amounted to \$1,322.75. In addition, a cash payment benefit of an additional 10% intended to cover the employee share of retirement withholdings included amount \$132.28. The combination of these items resulted in a total over payment to Martin Squire of \$1,455.03.

In accordance with the foregoing facts, and pursuant to ORC Chapter 117, a finding for recovery for the monies illegally expended is hereby issued against Martin J. Squire Sr., Kathy Poling Clerk Treasurer and her faithful performance of duty coverage issued through Ohio Township Association

Risk Management Authority (OTARMA), jointly and severally in the amount of \$1,455.03 and in favor of the LaGrange Township Road and Bridge fund.

Website: <https://www.lagrangetownshipohio.net>

Location: 40801 Biggs Rd. | **Mail:** P.O. Box 565, LaGrange Ohio 44050

Email: fiscal@lagrangetownshipohio.net | **Telephone:** 440-355-6071

The Township should implement procedures to ensure individuals are compensated using the correct leave balances in accordance with the appropriate policy manual. In addition, the Township should ensure retirement contributions are only made on qualifying employee compensation.

On February 26, 2026, Kathy Poling reimbursed the Township \$1,455.03 and therefore this Finding for Recovery is considered repaid under audit.

This matter will be referred to the Ohio Public Employee Retirement System.

Trustee Response to Item 2:

- When Ms. Poling brought the matter of paying out the vacation time for Mr. Martin J. Squire and Michael P. Foreman, she was informed by the trustees that it was not an approved action and would go against policy. She was also instructed by her mentor Amy Richards that it was against township policy. She ignored those instructions and paid the time out and used direct deposit to complete the payments. When the payroll approvals were presented at the meeting I (Trustee Canfield) refused to sign and approve the payments. Both other sitting trustees, Gary Burnett and Doug Gardner also refused to sign the timesheet approvals. During discussion at the meeting Fiscal Officer Poling stated that she felt they deserved the time/payment.
- When this matter was brought up in a meeting soon after the start of the 2022-23 audit with A.O.S. Lindsey Gorning, Fiscal Officer Poling again commented that she felt those two former employees deserved the money. At that time A.O.S. Gorning informed Ms. Poling that the money would have to be recovered as it was a violation of policy. A review of payroll payments will show that they were never approved.

//SIGNED//

Rita Canfield, Chair, Board of Trustees
Roger Kuhl, Vice – Chair, Board of Trustees
Kelly A. West, Board of Trustees

Website: <https://www.lagrangetownshipohio.net>

Location: 40801 Biggs Rd. | **Mail:** P.O. Box 565, LaGrange Ohio 44050

Email: fiscal@lagrangetownshipohio.net | **Telephone:** 440-355-6071

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 5/19/2026

65 East State 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