



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**LAFAYETTE TOWNSHIP
MEDINA COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2021 - 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Lafayette Township
6776 Wedgewood Road
Medina, Ohio 44256

We have reviewed the *Independent Auditor's Report* of Lafayette Township, Medina County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Lafayette Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 09, 2024

LAFAYETTE TOWNSHIP
MEDINA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Lafayette Township
Medina County
6776 Wedgewood Road
Medina, Ohio 44256

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 Lafayette Township, Medina County, Ohio (the Township) which comprises the cash balances, receipts and disbursements for each governmental fund type 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 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in 2020 the Township adopted a change in accounting principle and removed the fund balance classification from the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. We did not modify our opinions regarding this matter.

As discussed in Note 16 in 2020, the District was declared to be a separate entity, but was in existence prior to 2018. Fund balances and activity related to the District previously held within Lafayette Township, Medina County, were recognized in the District's own accounting system effective January 1, 2020. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 February 16, 2024, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 16, 2024

**LAFAYETTE TOWNSHIP
MEDINA COUNTY**

**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	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 90,339	\$ 814,214	\$ -	\$ -	\$ 904,553
Charges for Services	-	14,865	-	-	14,865
Licenses, Permits and Fees	26,690	-	-	-	26,690
Fines and Forfeitures	315	-	-	-	315
Intergovernmental	161,678	568,947	-	-	730,625
Earnings on Investments	751	183	-	-	934
Miscellaneous	10,900	7,400	-	-	18,300
<i>Total Cash Receipts</i>	<u>290,673</u>	<u>1,405,609</u>	<u>-</u>	<u>-</u>	<u>1,696,282</u>
Cash Disbursements					
Current:					
General Government	263,670	16,500	-	-	280,170
Public Safety	-	386,586	-	-	386,586
Public Works	-	811,968	-	-	811,968
Health	-	1,558	-	-	1,558
Intergovernmental	9,600	-	-	-	9,600
Capital Outlay	5,036	-	-	-	5,036
<i>Total Cash Disbursements</i>	<u>278,306</u>	<u>1,216,612</u>	<u>-</u>	<u>-</u>	<u>1,494,918</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>12,367</u>	<u>188,997</u>	<u>-</u>	<u>-</u>	<u>201,364</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	6,359	-	-	-	6,359
Other Financing Sources	-	3,388	-	-	3,388
<i>Total Other Financing Receipts (Disbursements)</i>	<u>6,359</u>	<u>3,388</u>	<u>-</u>	<u>-</u>	<u>9,747</u>
<i>Net Change in Fund Cash Balances</i>	18,726	192,385	-	-	211,111
<i>Fund Cash Balances, January 1 (Restated, See Note 14)</i>	<u>80,407</u>	<u>1,357,180</u>	<u>6,500</u>	<u>23,133</u>	<u>1,467,220</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 99,133</u>	<u>\$ 1,549,565</u>	<u>\$ 6,500</u>	<u>\$ 23,133</u>	<u>\$ 1,678,331</u>

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

LAFAYETTE TOWNSHIP
Medina 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 Lafayette Township, Medina County Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides cemetery maintenance, road and bridge maintenance. Fire and emergency medical services are provided to the Township by Lafayette Township Fire and Rescue District. Police protection is provided by the Medina County Police Department.

Public Entity Risk Pool and Related Organization

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships and is associated with a related organization. Notes 7 and 11 to the financial statements provide additional information for these entities. The Township's management believe 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 which is 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:

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

Medina City Police Department – This fund receives tax money from a levy in excess of the 10 mill limit for the specific purpose of providing police protection services for the Township.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Bond Retirement Fund - The special assessment bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Project Fund This fund was provided by borrowed funds to construct a Safety Services Building that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following Capital Project Fund:

Bond Safety Service Building – This fund receives borrowed money to fund the building of the Safety Services Building.

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 (C). 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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. The Township did not encumber all commitments required by Ohio law.

A summary of 2021 budgetary activity appears in Note 4.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the MCDAC Grant Fund by \$8,300 for the year ended December 31, 2021.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 260,300	\$ 297,032	\$ 36,732
Special Revenue	1,217,800	1,408,997	191,197
Total	\$ 1,478,100	\$ 1,706,029	\$ 227,929

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$ 310,306	\$ 278,669	\$ 31,637
Special Revenue	1,364,725	1,217,890	146,835
Capital Projects	23,133	-	23,133
Total	\$ 1,698,164	\$ 1,496,559	\$ 201,605

Note 5 – Deposits and Investments

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

	2021
Demand deposits	\$ 788,580
STAR Ohio	889,751
Total deposits and investments	\$ 1,678,331

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 \$3,621 in unremitted employee payroll withholdings.

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 repayment of all public monies deposited in the financial institution.

Investments

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

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – 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 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 by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Note 7 – 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 Workers' Compensation. 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
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdowns

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

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Social Security

Several other Township employees contributed to Social Security. This plan provides retirement benefits including survivor and disability benefits to participants. Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 – 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 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 - Related Organizations

On July 16, 2018 the Lafayette Township Board of Trustees passed Resolution 13-2018 authorizing the addition of the Village of Gloria Glens Park to the Lafayette Township Fire District approving the expansion of the territorial limits of the District to encompass all territory with territorial limits of the Village of Gloria Glens Park. Resolution 17-2019 amended Resolution 13-2018 by identifying the Lafayette Township Fire & Rescue District for the purpose of separate budgeting. The Township trustees also serve on the Board of Trustees for the District but the Township is not financially responsible for the District. The District was required to conduct its operations separately from the Township and maintain its own accounting system effective January 1, 2020. All special revenue funds related to the District and its operations were removed from the Township's system and entered onto the District's system. The District was also made responsible for the outstanding bond debt that was used to purchase a fire building.

Note 12 – Fund Balances

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 facilities effective cash planning and control. At year end, the Township had outstanding encumbrances of \$363 in the General Fund and \$1,278 in the Special Revenue Funds.

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, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 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.

The 2021 activity includes, \$9,488 which was spent on-behalf of other governments. These amounts are reflected as public safety expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

Note 14 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2021 fund balances due to a voided check:

	<u>Special Revenue</u>
December 31, 2020 audited balances	\$ 1,356,889
Prior period adjustment	291
January 1, 2021 balances	<u>\$ 1,357,180</u>

**LAFAYETTE TOWNSHIP
MEDINA COUNTY**

**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	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 71,396	\$ 782,823	\$ -	\$ -	\$ 854,219
Charges for Services	48	15,764	-	-	15,812
Licenses, Permits and Fees	48,822	-	-	-	48,822
Fines and Forfeitures	1,480	-	-	-	1,480
Intergovernmental	67,441	556,915	-	-	624,356
Earnings on Investments	7,450	1,641	-	-	9,091
Miscellaneous	66,053	6,738	-	-	72,791
<i>Total Cash Receipts</i>	<u>262,690</u>	<u>1,363,881</u>	<u>-</u>	<u>-</u>	<u>1,626,571</u>
Cash Disbursements					
Current:					
General Government	237,684	7,500	779,153	600	1,024,937
Public Safety	-	692,260	-	43,439	735,699
Public Works	-	420,797	-	-	420,797
Health	-	1,505	-	-	1,505
Conservation-Recreation	619	-	-	-	619
Other	-	-	-	154	154
Capital Outlay	265	7,366	-	40,323	47,954
<i>Total Cash Disbursements</i>	<u>238,568</u>	<u>1,129,428</u>	<u>779,153</u>	<u>84,516</u>	<u>2,231,665</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>24,122</u>	<u>234,453</u>	<u>(779,153)</u>	<u>(84,516)</u>	<u>(605,094)</u>
Other Financing Receipts (Disbursements)					
Other Financing Sources	4,108	15,511	-	-	19,619
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,108</u>	<u>15,511</u>	<u>-</u>	<u>-</u>	<u>19,619</u>
<i>Net Change in Fund Cash Balances</i>	28,230	249,964	(779,153)	(84,516)	(585,475)
<i>Fund Cash Balances, January 1 (Restated, See Note 16)</i>	<u>52,177</u>	<u>1,106,925</u>	<u>785,653</u>	<u>107,649</u>	<u>2,052,404</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 80,407</u>	<u>\$ 1,356,889</u>	<u>\$ 6,500</u>	<u>\$ 23,133</u>	<u>\$ 1,466,929</u>

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

LAFAYETTE TOWNSHIP
Medina 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 Lafayette Township, Medina County Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides cemetery maintenance, road and bridge maintenance. Fire and emergency medical services are provided to the Township by Lafayette Township Fire and Rescue District. Police protection is provided by the Medina County Police Department.

Public Entity Risk Pool and Related Organizations

The Township participates in a public entity risk pool and is associated with a related organization. Notes 7 and 12 to the financial statements provide additional information for these entities. The Township management believe 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 which is 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:

Motor Vehicle Tax Fund - The fund receives motor vehicle tax money from the state and county's motor vehicle tax for constructing, maintaining, and repairing Township roads.

Gasoline 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.

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

Fire Levy Fund – This fund has a balance of prior levy funds before 2020 that must be used for fire protection and/or rescue services.

Permissive Motor Vehicle Tax Fund – This fund receives the tax money levied by the Township for constructing, maintaining, and repairing Township roads and bridges.

Medina City Police Department – This fund receives tax money from a levy in excess of the 10 mill limit for the specific purpose of providing police protection services for the Township.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Coronavirus Relief Fund – This fund received the local government assistance provided by the CARES Act HB 481 for Township Coronavirus relief.

MCDAC Grant Fund – MCDAC is Medina County Drug Abuse Commission the Township received this grant to provide funds for resource officer.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Bond Retirement Fund - The special assessment bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Capital Project Fund This fund was provided by borrowed funds to construct a Safety Services Building that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following Capital Project Fund:

Bond Safety Service Building – This fund receives borrowed money to fund the building of the Safety Services Building.

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 (C). 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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. The District was required to conduct its operations separately from the Township and maintain its own accounting system effective January 1, 2020. All special revenue funds related to the District and its operations were removed from the Township's system and entered onto the District's system. The District was also made responsible for the outstanding bond debt that was used to purchase a fire building.

A summary of 2020 budgetary activity appears in Note 4.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable 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.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$40,415, in the Medina City Police Dept fund by \$45,016, and in the MCDAC Grant fund by \$7,500 for the year ended December 31, 2020. Also contrary to Ohio law, appropriations exceeded estimated resources in the Permissive Motor Vehicle License Tax Fund by \$1,000 and in the Coronavirus Relief Fund by \$27,825 for the year ended December 31, 2020.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 268,820	\$ 266,798	\$ (2,022)
Special Revenue	1,383,989	1,379,392	(4,597)
Total	\$ 1,652,809	\$ 1,646,190	\$ (6,619)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 198,153	\$ 238,568	\$ (40,415)
Special Revenue	1,850,839	1,137,626	713,213
Debt Service	779,153	779,153	-
Capital Projects	257,264	84,516	172,748
Total	\$ 3,085,409	\$ 2,239,863	\$ 845,546

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Deposits and Investments

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

	2020
Demand deposits	\$ 577,907
STAR Ohio	889,022
Total deposits and investments	<u>\$ 1,466,929</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, 2020, the Township is holding \$7,861 in unremitted employee payroll withholdings.

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 repayment of all public monies deposited in the financial institution.

Investments

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

Note 6 – 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 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 by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – 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 Workers' Compensation. 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
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdowns

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Several other Township employees contributed to Social Security. This plan provides retirement benefits including survivor and disability benefits to participants. Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 9 – 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Debt

The Township issued general mortgage bonds in fiscal year 2018 to finance the purchase of a fire building. The Township's taxing authority collateralized the bonds. The balance of the general mortgage bonds was \$4,500,000 when the Township transferred to the District.

The mortgage revenue bond covenant requires the District to establish and fund a debt service reserve fund, included as a debt service fund. The balance in the fund at December 31, 2020 is \$6,500.

Auditor of State established that before the segregation, the levy that provided money to the Fire "Department" of the Township was actually money of the Fire and Rescue District. That levy should be reported by the Fire and Rescue District. During 2020, the Township made an on-behalf debt payment for the Fire and Rescue District in the amount of \$779,153.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 - Related Organizations

On July 16, 2018 the Lafayette Township Board of Trustees passed Resolution 13-2018 authorizing the addition of the Village of Gloria Glens Park to the Lafayette Township Fire District approving the expansion of the territorial limits of the District to encompass all territory with territorial limits of the Village of Gloria Glens Park. Resolution 17-2019 amended Resolution 13-2018 by identifying the Lafayette Township Fire & Rescue District for the purpose of separate budgeting. The Township trustees also serve on the Board of Trustees for the District but the Township is not financially responsible for the District. The District was required to conduct its operations separately from the Township and maintain its own accounting system effective January 1, 2020. All special revenue funds related to the District and its operations were removed from the Township's system and entered onto the District's system. The District was also made responsible for the outstanding bond debt that was used to purchase a fire building.

Note 13 – Fund Balances

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 facilities effective cash planning and control. At year end, the Special Revenue Funds had outstanding encumbrances of \$8,198 in the Coronavirus Relief Fund.

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, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Change in Accounting Principle

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

LAFAYETTE TOWNSHIP
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 15 – 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 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.

During 2020, the Township received CARES Act funding. Of the amount received, \$284,725 was spent on behalf of other governments. These amounts are reflected as public safety expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

Note 16 – Prior Period Restatement

Lafayette Township Fire and Rescue District (the District) was required to conduct its operations separately from the Township and maintain its own accounting system effective January 1, 2020. All special revenue funds related to the District and its operations were removed from the Township's system and entered onto the District's system. The District was also made responsible for the outstanding bond debt that was used to purchase a fire building. The following adjustment is reflected in the January 1, 2020 fund balances due to voided checks:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
December 31, 2019 audited balances	\$ 49,557	\$ 1,970,929	\$ 779,153
2020 Fund Balance Adjustments	2,620	3,757	6,500
Adjustment to move the balances in the 2191 fund to the Fire District	-	(867,761)	-
January 1, 2020 balances	<u>\$52,177</u>	<u>\$ 1,106,925</u>	<u>\$785,653</u>

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

Lafayette Township
Medina County
6776 Wedgewood Road
Medina, Ohio 44256

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Lafayette Township, Medina County, (the Township) and have issued our report thereon dated February 16, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Furthermore, as discussed in Note 14 to the financial statements, during 2020, the Township adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements, and Changes in Fund Balance (Regulatory Cash Basis) – All Governmental Fund Types. Lafayette Township Fire and Rescue District, Medina County (the District) was established as a separate entity and the District followed financial reporting provisions Ohio Revised Code §117.38 and Ohio Admin. Code 117-2-07(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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2021-001 to be a material weakness.

Report on Internal Control Over Financial Reporting (Continued)

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. We consider the deficiencies described in the accompanying schedule of findings as item 2021-002 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit finding as item 2021-002.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 16, 2024

**LAFAYETTE TOWNSHIP
MEDINA COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Material Weakness

Financial Reporting

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

During 2021 and 2020, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

- First and second half real estate rollbacks were not allocated to the appropriate funds in the 2021;
- Several refund receipts were recorded as intergovernmental instead of miscellaneous in the General Fund in 2020;
- The Township classified the Zoning Fund as being part of the Special Revenue Fund Type with a Restricted status in 2020. This restricted fund was in the amount of \$19,034. With the implementation of GASB 54 the zoning fund no longer meets the definition of a special revenue fund, which is a fund receiving specific resources to be used for a specific restricted or committed purpose. The zoning fund should be included in the general fund as unassigned fund balance. The financial statements were adjusted because the activity and fund balance were material to the general fund or special revenue fund type; and
- December 2019 STAR Ohio interest was posted in January 2020 instead of December 2019.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring several reclassification and adjusting entries. The financial statements reflect all reclassifications and adjustments. The Township has made these adjustments to its accounting system.

The following reclassifications were inconsequential to the overall financial statements of the Township for December 31, 2021 and 2020 and were not posted to the financial statements or accounting system:

- Several additional refund receipts were recorded as intergovernmental instead of miscellaneous in the General Fund in 2021;
- Several additional refund receipts were recorded as other financing sources instead of miscellaneous in the Road and Bridge Fund in 2021;
- Miscellaneous receipt was recorded as other financing sources instead of miscellaneous in the General Fund in 2020;
- A refund receipt was recorded as intergovernmental instead of miscellaneous in the Fire and Rescue Combination Levy Fund in 2020; and
- A refund receipt was recorded as other financing sources instead of miscellaneous in the Road and Bridge fund in 2020.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

Officials' Response – We did not receive a response from officials to this finding.

LAFAYETTE TOWNSHIP
MEDINA COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2021-002

Significant Deficiency/Noncompliance

Budgetary Controls

The budget is an instrument of public policy. A governing board expresses its desire for using a government's limited resources through its applications. Ohio Rev. Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Township making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.39 indicating appropriations cannot exceed estimated resources;
- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeding appropriations); and
- Violations of 5705.41(D) relating to expenditures having prior certification of availability of funds.

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Board and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to the Township officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate. We recommend the Township implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

The Board should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Township is complying with applicable sections. We recommend the Township establish a procedure to ensure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

Officials' Response: We did not receive a response from Officials to this finding.

**LAFAYETTE TOWNSHIP
MEDINA COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Posting Receipts, Disbursements and Fund Balances	Partially Corrected	Repeated as Finding 2021-001
2019-002	Ohio Revised Code Section 505.24(C)	Partially Corrected	Moved to Management Letter due to underpayment
2019-003	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2021-002

OHIO AUDITOR OF STATE KEITH FABER



LAFAYETTE TOWNSHIP

MEDINA 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 4/23/2024

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