



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SAGAMORE HILLS TOWNSHIP  
SUMMIT COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Sagamore Hills Township  
Summit County  
11551 Valley View Road  
Sagamore Hills, Ohio 44067

To the Board of Trustees:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Sagamore Hills Township, Summit County, Ohio (the Township), which comprises 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, 2024 and 2023, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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 January 13, 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

January 13, 2026

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**Sagamore Hills Township**  
**Summit County**  
*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2024*

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	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$695,474	\$3,779,091	\$0	\$4,474,565
Charges for Services	0	307,648	0	307,648
Licenses, Permits and Fees	1,989	5,211	119,700	126,900
Fines, Forfeitures and Settlements	0	5,702	0	5,702
Intergovernmental	869,559	607,205	463,415	1,940,179
Earnings on Investments	45,447	2,892	0	48,339
Miscellaneous	<u>66,134</u>	<u>50,924</u>	<u>0</u>	<u>117,058</u>
<i>Total Cash Receipts</i>	<u>1,678,603</u>	<u>4,758,673</u>	<u>583,115</u>	<u>7,020,391</u>
<b>Cash Disbursements</b>				
Current:				
General Government	637,138	0	0	637,138
Public Safety	4,800	3,335,350	0	3,340,150
Public Works	0	759,508	0	759,508
Health	155,808	0	0	155,808
Capital Outlay	242,967	1,163,763	333,115	1,739,845
Debt Service:				
Principal Retirement	<u>0</u>	<u>7,750</u>	<u>0</u>	<u>7,750</u>
<i>Total Cash Disbursements</i>	<u>1,040,713</u>	<u>5,266,371</u>	<u>333,115</u>	<u>6,640,199</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>637,890</u>	<u>(507,698)</u>	<u>250,000</u>	<u>380,192</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	<u>0</u>	<u>6,318</u>	<u>0</u>	<u>6,318</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>6,318</u>	<u>0</u>	<u>6,318</u>
<i>Net Change in Fund Cash Balances</i>	<u>637,890</u>	<u>(501,380)</u>	<u>250,000</u>	<u>386,510</u>
<i>Fund Cash Balances, January 1</i>	<u>3,858,441</u>	<u>4,795,794</u>	<u>183,764</u>	<u>8,837,999</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,496,331</u>	<u>\$4,294,414</u>	<u>\$433,764</u>	<u>\$9,224,509</u>

See accompanying notes to the basic financial statements

**Sagamore Hills Township**  
**Summit County**  
*Combined Statement of Additions, Deductions  
 and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2024*

	Custodial
Additions	
Licenses, Permits and Fees for Distribution	\$1,000
<i>Total Additions</i>	<u>1,000</u>
Deductions	
Other Distributions	4,900
<i>Total Deductions</i>	<u>4,900</u>
<i>Net Change in Fund Balances</i>	<u>(3,900)</u>
<i>Fund Cash Balances, January 1</i>	<u>21,950</u>
<i>Fund Cash Balances, December 31</i>	<u>\$18,050</u>

*See accompanying notes to the basic financial statements*

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Sagamore Hills Township, Summit County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance and police protection. The Township contracts with the City of Macedonia to provide fire services and emergency medical services.

***Jointly Governed Organizations***

The Township participates in the North Hills Water District, the Summit County Regional Planning Commission, the Cuyahoga Valley Regional Council of Governments, the Village of Walton Hills-Sagamore Hills Township Joint Economic Development District, the Northeast Ohio Regional Sewer District, and Community University Education Regional Purchasing Council of Government, all jointly governed organizations. Note 11 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 combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types 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:

**Road and Bridge Fund** The road and bridge fund receives property tax and intergovernmental revenue money reserved for the purpose of construction, maintenance and repair of Township roads and bridges.

**Police District Fund** The police district fund receives property tax and intergovernmental money reserved for the purpose of maintenance of police department operations.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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

**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 Fund:

**Capital Equipment** – Established for the purchase of capital equipment for the Road Department, Fire, and EMS

**Issue II Fund** – The township received a fifty percent matching grant from the Ohio Public Works Commission for the reconstruction of Village Parkway.

**Fiduciary Funds** Fiduciary funds include custodial funds. Custodial funds are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for faithful performance cash deposit bonds paid by contractors. For regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements 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 (except certain custodial funds) be budgeted annually.

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

A summary of 2024 budgetary activity appears in Note 3.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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

***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 an 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***

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases & SBITAs***

The Township is the Lessor in an Option and Site Lease Agreement extending through August 31, 2041 with CCATT LLC (Crown Castle AT&T), whereby the Township leases a portion of land that houses a wireless cell tower and receives monthly rent payments in the amount of \$3,450 (rate effective September 1, 2021), increasing 15% every five (5) years.

The Township has entered into a noncancelable Subscription-Based Information Technology Arrangement (SBITA) contract (as defined by GASB 96) with Toshiba for a 4-license Cloud Based Storage and Retrieval System (DocuWare Software) for a period of five years effective 11/16/2023.

***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$5,702 are reflected as fines, forfeitures and settlements revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

***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:

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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

**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** The 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 – Budgetary Activity**

Budgetary activity for the year ended December 31, 2024 follows:

Fund Type	Budgeted		Variance
	Receipts	Receipts	
General	\$ 1,678,604	\$ 1,678,603	\$ 1
Special Revenue	4,764,994	4,764,991	3
Capital Projects	583,115	583,115	-
	7,026,713	7,026,709	4

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 3 – Budgetary Activity (continued)**

Fund Type	Appropriation	Budgetary	Variance
	Authority	Disbursements	
General	\$ 3,042,364	\$ 1,042,051	\$ 2,000,313
Special Revenue	6,809,611	5,275,729	1,533,882
Capital Projects	670,000	333,115	336,885
	10,521,975	6,650,895	3,871,080

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds 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:

	2024
Demand deposits	<u>\$ 8,742,559</u>
Total deposits	<u>8,742,559</u>
STAR Ohio	<u>500,000</u>
Total investments	<u>500,000</u>
Total deposits and investments	<u><u>\$ 9,242,559</u></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, 2024, the Township does not have 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 the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**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 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 6 - Risk Management**

***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.

***Commercial Insurance***

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The 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% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. Full-time police officers contributed 13% of their gross salaries, and the Township contributed an amount equaling 18.1% of participants gross salaries. The Township has paid all contributions required through December 31, 2024.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 – Debt**

Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Apple Hill and Cherrywood Circle	\$ 38,750	0.00%

During 2009, the Township received loan proceeds of \$155,000 from the Ohio Public Works Commission (OPWC) to finance road construction projects. This is an interest free loan requiring semi-annual payments of \$3,875 beginning January 1, 2010 and ending July 1, 2029. The OPWC loan payments were paid from the Special Revenue Road and Bridge Fund.

***Amortization***

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

<u>Year ending</u>	
<u>December 31:</u>	<u>OPWC Loan</u>
2025	7,750
2026	7,750
2027	7,750
2028	7,750
2029	7,750
<b>Total</b>	<b><u>38,750</u></b>

**Note 10 – Contingent Liabilities**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 11 – Jointly Governed Organizations**

The Summit County Regional Planning Commission (the Commission) is a statutorily created political subdivision of Ohio. The Commission is jointly governed among municipalities and townships located in Summit County. Each member's control over the operation of the Commission is limited to its representation on the Board which consists of 48 members. The Board exercises total control over the Commission's operations. Summit County Regional Planning Commission was established to advise municipalities and local governments in Summit County on planning, development, and zoning issues.

The Cuyahoga Valley Regional Council of Governments (the Council) is a statutorily created political subdivision of Ohio. The Council is jointly governed among municipalities, townships, school districts, and park systems located in the Cuyahoga Valley. Each member's control over the operation of the Council is limited to its representation on the Board which consists of 34 members. The Board exercises total control over the Council's operation. Cuyahoga Valley Regional Council of Governments was established for municipalities, townships, school districts, and park systems located in the Cuyahoga Valley to facilitate communication between the parks and local governments concerning zoning and other land issues.

The Village of Walton Hills and Sagamore Hills Township Joint Economic Development District (JEDD) is a jointly governed organization established in 2015 in order to facilitate economic development and to create and preserve jobs and employment opportunities within the JEDD area. The five-member Board consists of a Township member (initially the Chair of the Board of Township Trustees), a Village member (initially the Mayor of the Village), a representative of the business owners located in the district, a representative of the employees working in the district, and a fifth member appointed by the other four. The JEDD will be funded by an income tax levied on employee earnings and the net profits of businesses throughout the district and the Village will collect, administer, and enforce the income tax. The Township received quarterly distributions from the JEDD in 2024 totaling \$421,700.

North Hills Water District is directed by a seven-member Board of Trustees appointed by Northfield Center Township and Sagamore Hills Township. The District provides construction of water lines and major repairs and servicing of hydrants to the two Townships.

Northeast Ohio Regional Sewer District provides Community Cost Share Reimbursement Funds upon completion of projects that benefit the maintenance and upkeep of sewer systems in the Township. These funds are generated from the collection of sewer charges from the residents of the Township.

The Township is a member of the Community University Education Purchasing Regional Council of Governments (CUE-COG) for the purpose of lowering costs of road salt by joining with other Governmental Entities through pooled purchasing and competitive bidding.

**Note 12 – Fund Balances**

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

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 12 – Fund Balances (continued)**

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 1,338	\$ 9,358	\$ -	\$ 10,696

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

**Note 13 – American Rescue Plan Act**

During 2021-2022, the Township received (ARP) American Rescue Plan funding. These amounts are reflected as revenue in the (ARP) American Rescue Plan Special Revenue Fund on the accompanying financial statements. The outstanding balance amount is included as part of the special revenue outstanding encumbrances as reflected on the accompanying financial statements.

Remaining ARP funds were expended during 2024.

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**Sagamore Hills Township**  
**Summit County**  
*Combined Statement of Receipts, Disbursements  
 and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

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	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$532,348	\$3,619,513	\$0	\$4,151,861
Charges for Services	0	339,815	0	339,815
Licenses, Permits and Fees	762	2,750	135,425	138,937
Intergovernmental	463,008	869,580	0	1,332,588
Earnings on Investments	42,624	2,906	0	45,530
Miscellaneous	76,878	59,365	0	136,243
<i>Total Cash Receipts</i>	<i>1,115,620</i>	<i>4,893,929</i>	<i>135,425</i>	<i>6,144,974</i>
<b>Cash Disbursements</b>				
Current:				
General Government	560,522	0	0	560,522
Public Safety	4,019	3,090,518	0	3,094,537
Public Works	0	766,967	0	766,967
Health	153,464	0	0	153,464
Capital Outlay	94,978	1,121,189	75,000	1,291,167
Debt Service:				
Principal Retirement	7,750	0	0	7,750
<i>Total Cash Disbursements</i>	<i>812,983</i>	<i>4,986,424</i>	<i>75,000</i>	<i>5,874,407</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>302,637</i>	<i>(92,495)</i>	<i>60,425</i>	<i>270,567</i>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	0	53,057	0	53,057
Transfers In	0	200,000	0	200,000
Transfers Out	(200,000)	0	0	(200,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(200,000)</i>	<i>253,057</i>	<i>0</i>	<i>53,057</i>
<i>Net Change in Fund Cash Balances</i>	<i>102,637</i>	<i>160,562</i>	<i>60,425</i>	<i>323,624</i>
<i>Fund Cash Balances, January 1</i>	<i>3,755,804</i>	<i>4,635,232</i>	<i>123,339</i>	<i>8,514,375</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,858,441</i>	<i>\$4,795,794</i>	<i>\$183,764</i>	<i>\$8,837,999</i>

*See accompanying notes to the basic financial statements*

**Sagamore Hills Township**  
*Summit County*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2023*

	Custodial
<b>Additions</b>	
Licenses, Permits and Fees for Distribution	\$12,125
<i>Total Additions</i>	<i>12,125</i>
<b>Deductions</b>	
Other Distributions	1,000
<i>Total Deductions</i>	<i>1,000</i>
<i>Net Change in Fund Balances</i>	<i>11,125</i>
<i>Fund Cash Balances, January 1</i>	<i>10,825</i>
<i>Fund Cash Balances, December 31</i>	<i><u>\$21,950</u></i>

*See accompanying notes to the basic financial statements*

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Sagamore Hills Township, Summit County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance and police protection. The Township contracts with the City of Macedonia to provide fire services and emergency medical services.

***Jointly Governed Organizations***

The Township participates in the North Hills Water District, the Summit County Regional Planning Commission, the Cuyahoga Valley Regional Council of Governments, the Village of Walton Hills-Sagamore Hills Township Joint Economic Development District, the Northeast Ohio Regional Sewer District, and Community University Education Regional Purchasing Council of Government, all jointly governed organizations. Note 10 to the financial statements provides additional information for these entities.

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

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

***Basis of Presentation***

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 combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types 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:

**Road and Bridge Fund** The road and bridge fund receives property tax and intergovernmental revenue money reserved for the purpose of construction, maintenance and repair of Township roads and bridges.

**Police District Fund** The police district fund receives property tax and intergovernmental money reserved for the purpose of maintenance of police department operations.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

**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 Fund:

**Capital Equipment** – Established for the purchase of capital equipment for the Road Department, Fire, and EMS

**Fiduciary Funds** Fiduciary funds include custodial funds. Custodial funds are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for faithful performance cash deposit bonds paid by contractors. For regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements 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 (except certain custodial funds) be budgeted annually.

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

A summary of 2023 budgetary activity appears in Note 3.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

***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 an 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.

***Leases & SBITAs***

The Township is the Lessor in an Option and Site Lease Agreement extending through August 31, 2041 with CCATT LLC (Crown Castle AT&T), whereby the Township leases a portion of land that houses a wireless cell tower and receives monthly rent payments in the amount of \$3,450 (rate effective September 1, 2021), increasing 15% every five (5) years.

The Township has entered into a noncancelable Subscription-Based Information Technology Arrangement (SBITA) contract (as defined by GASB 96) with Toshiba for a 4-license Cloud Based Storage and Retrieval System (DocuWare Software) for a period of five years effective 11/16/2023.

***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$4,659 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

***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:

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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

**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** The 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 – Budgetary Activity**

Budgetary activity for the year ended December 31, 2023 follows:

Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 1,155,402	\$ 1,115,620	\$ (39,782)
Special Revenue	5,120,340	5,146,986	26,646
Capital Projects	132,950	135,425	2,475
	6,408,692	6,398,031	(10,661)

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 3 – Budgetary Activity (continued)**

Fund Type	Appropriation		Budgetary	Variance
	Authority	Disbursements		
General	\$ 3,164,006	\$ 1,084,438		\$ 2,079,568
Special Revenue	6,368,577	5,070,689		1,297,888
Capital Projects	100,000	100,000		-
	9,632,583	6,255,127		3,377,456

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds 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:

	2023
Demand deposits	<u>\$ 8,359,949</u>
Total deposits	<u>8,359,949</u>
STAR Ohio	<u>500,000</u>
Total investments	<u>500,000</u>
Total deposits and investments	<u><u>\$ 8,859,949</u></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, 2023, the Township does not have 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 the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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### **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 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 6 - Risk Management**

#### *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.

#### *Commercial Insurance*

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

### **Note 7 - Defined Benefit Pension Plan**

#### *Ohio Public Employees Retirement System*

The 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% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. Full-time police officers contributed 13% of their gross salaries, and the Township contributed an amount equaling 18.1% of participants gross salaries. The Township has paid all contributions required through December 31, 2023.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Apple Hill and Cherrywood Circle	\$ 46,500	0.00%

During 2009, the Township received loan proceeds of \$155,000 from the Ohio Public Works Commission (OPWC) to finance road construction projects. This is an interest free loan requiring semi-annual payments of \$3,875 beginning January 1, 2010 and ending July 1, 2029. The OPWC loan payments were paid from the Special Revenue Road and Bridge Fund.

***Amortization***

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

<u>Year ending</u>	
<u>December 31:</u>	<u>OPWC Loan</u>
2024	7,750
2025	7,750
2026	7,750
2027	7,750
2028	7,750
2029	7,750
<u>Total</u>	<u>46,500</u>

**Note 10 – Jointly Governed Organizations**

The Summit County Regional Planning Commission (the Commission) is a statutorily created political subdivision of Ohio. The Commission is jointly governed among municipalities and townships located in Summit County. Each member's control over the operation of the Commission is limited to its representation on the Board which consists of 48 members. The Board exercises total control over the Commission's operations. Summit County Regional Planning Commission was established to advise municipalities and local governments in Summit County on planning, development, and zoning issues.

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 10 – Jointly Governed Organizations (continued)**

The Cuyahoga Valley Regional Council of Governments (the Council) is a statutorily created political subdivision of Ohio. The Council is jointly governed among municipalities, townships, school districts, and park systems located in the Cuyahoga Valley. Each member's control over the operation of the Council is limited to its representation on the Board which consists of 34 members. The Board exercises total control over the Council's operation. Cuyahoga Valley Regional Council of Governments was established for municipalities, townships, school districts, and park systems located in the Cuyahoga Valley to facilitate communication between the parks and local governments concerning zoning and other land issues.

The Village of Walton Hills and Sagamore Hills Township Joint Economic Development District (JEDD) is a jointly governed organization established in 2015 in order to facilitate economic development and to create and preserve jobs and employment opportunities within the JEDD area. The five-member Board consists of a Township member (initially the Chair of the Board of Township Trustees), a Village member (initially the Mayor of the Village), a representative of the business owners located in the district, a representative of the employees working in the district, and a fifth member appointed by the other four. The JEDD will be funded by an income tax levied on employee earnings and the net profits of businesses throughout the district and the Village will collect, administer, and enforce the income tax. The Township received quarterly distributions from the JEDD in 2023 totaling \$397,336.

North Hills Water District is directed by a seven-member Board of Trustees appointed by Northfield Center Township and Sagamore Hills Township. The District provides construction of water lines and major repairs and servicing of hydrants to the two Townships.

Northeast Ohio Regional Sewer District provides Community Cost Share Reimbursement Funds upon completion of projects that benefit the maintenance and upkeep of sewer systems in the Township. These funds are generated from the collection of sewer charges from the residents of the Township.

The Township is a member of the Community University Education Purchasing Regional Council of Governments (CUE-COG) for the purpose of lowering costs of road salt by joining with other Governmental Entities through pooled purchasing and competitive bidding.

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. 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 – Fund Balances**

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

**Sagamore Hills Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 12 – Fund Balances (continued)**

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 71,455	\$ 84,265	\$ 25,000	\$ 180,720

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

**Note 13 – American Rescue Plan Act**

During 2021-2022, the Township received (ARP) American Rescue Plan funding. These amounts are reflected as revenue in the (ARP) American Rescue Plan Special Revenue Fund on the accompanying financial statements. The outstanding balance amount is included as part of the special revenue outstanding encumbrances as reflected on the accompanying financial statements.

The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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Columbus, Ohio 43215  
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800-282-0370

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

Sagamore Hills Township  
Summit County  
11551 Valley View Road  
Sagamore Hills, Ohio 44067

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, 2024 and 2023 and the related notes to the financial statements of Sagamore Hills Township, Summit County, Ohio (the Township) and have issued our report thereon dated January 13, 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.

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 deficiency described in the accompanying schedule of findings as item 2024-002 to be a material weakness.

Sagamore Hills Township  
Summit County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 3

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 2024-001 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

January 13, 2026

SAGAMORE HILLS TOWNSHIP  
SUMMIT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2024 & 2023

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

**1. Financial Reporting - Significant Deficiency**

**FINDING NUMBER – 2024-001**

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 their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following exception was noted indicating a deficiency in the design, implementation and maintenance of internal controls relevant to preparing and fairly presenting financial statements and note disclosures:

In 2023, General Fund Special Assessments revenue and General Government expenditures were both overstated by \$56,473 due to a refunded overpayment from Summit County being recorded as an expenditure instead of as a reduction of revenue when repaid.

The financial statements were corrected for final presentation.

In addition to the adjustments listed above, we also identified additional immaterial misstatements ranging from \$5,300 to \$105,300 that were brought to the Township's attention.

To help ensure the financial statements and related footnote disclosures are presented properly, the Township should review the design, implementation, and maintenance of internal controls relevant to preparing and fairly presenting financial statements and note disclosure.

**Official's Response:** The Township will ensure that future refunded overpayments are recorded as a reduction of revenue (adjusted receipt) rather than an expenditure (check payment) when repaid to prevent overstated revenue and expenditures.

**2. Budgetary Amounts Improperly Recorded in Accounting System – Material Weakness**

**FINDING NUMBER - 2024-002**

Sound accounting practices require accurately posting appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board of Trustees to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board of Trustees are precisely stated and accurately posted to the appropriation ledger.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system, resulting in the following variances between actual appropriations approved by the Board of Trustees and appropriation authority recorded in the Township's accounting system:

- 2023 Special Revenue Fund Appropriation Authority was overstated by \$200,000.
- 2024 Capital Projects Fund Appropriation Authority was understated by \$186,885.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

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 their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Because the Budgetary Activity footnotes were prepared based on the amounts recorded in the Township's accounting system, the footnotes were also over/understated by the same amounts.

The footnotes have been adjusted to correct for these errors.

To effectively control the budgetary cycle and to maintain accountability over expenditures, the Township should post to the ledgers, on a timely basis, appropriations approved by the Board of Trustees. The Township should then monitor budget versus actual reports to help ensure appropriations have been properly posted to the ledgers.

**Official's Response:** The Township will better monitor future budget versus actual reports to ensure amended certificates of resources and appropriations are properly posted.



11551 Valley View Road • Sagamore Hills, Ohio 44067-1099  
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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2024 & 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting – Incorrect reporting of Budgetary Disbursements in the Budgetary Footnote.	Fully Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



SAGAMORE HILLS TOWNSHIP

SUMMIT 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 2/5/2026

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

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