



Mary Taylor, CPA
Auditor of State

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

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LORAIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

LaGrange Township
Lorain County
353 South Center Street
P.O. Box 565
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaGrange Township, Lorain County, Ohio (the Township), as of and for the years ended December 31, 2009 and December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of LaGrange Township, Lorain County, Ohio, as of December 31, 2009 and December 31, 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Gasoline Tax Fund, Road and Bridge Fund and Fire and EMS Levy Fund and thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 24, 2010

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and December 31, 2008
Unaudited

This discussion and analysis of LaGrange Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2009 and December 31, 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights are as follows:

For 2009, net assets of governmental activities increased \$118,998, or 18 percent, an insignificant change from the prior year.

For 2008, net assets of governmental activities increased by \$48,134, or five percent, an insignificant change from the prior year.

The Township's general receipts are primarily property and other local taxes. Property tax receipts represent 62% and 65% of the total general cash received for governmental activities during both 2009 and 2008 respectively.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

Management's Discussion and Analysis
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Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

Governmental activities. All of the Township's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity. The Township has no business-type activity. Business-type activities are financed by a fee charged to the customers receiving the service.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and December 31, 2008
Unaudited

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Gasoline Tax, Road and Bridge, Fire and EMS Levy, Fire and EMS Equipment, and Issue II (2008 only) funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township's agency fund accounts for the three percent assessment of permit fees to the Board of Building Standards.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008, and 2008 compared to 2007 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$1,173,748	\$1,054,750	\$1,006,616
Total Assets	1,173,748	1,054,750	1,006,616
Net Assets			
Restricted for:			
Capital Projects	237,965	170,457	80,373
Debt Service	27	27	163
Other Purposes	510,752	520,870	600,163
Unrestricted	425,004	363,396	325,917
Total Net Assets	\$1,173,748	\$1,054,750	\$1,006,616

As mentioned previously, net assets of governmental activities increased \$118,998, or 11 percent during 2009 and \$48,134, or five percent during 2008. The primary reason contributing to the increases was a more conservative spending approach.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and December 31, 2008
Unaudited

Table 2 provides a summary of the Township's changes in net assets for 2009 compared to 2008, and 2008 compared to 2007 on a cash basis:

(Table 2)
Changes in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$153,762	\$100,585	\$125,553
Operating Grants and Contributions	92,408	103,098	92,157
Capital Grants and Contributions	0	128,739	0
Total Program Receipts	<u>246,170</u>	<u>332,422</u>	<u>217,710</u>
General Receipts:			
Property and Other Local Taxes	644,812	638,295	652,239
Grants and Entitlements Not Restricted to Specific Programs	371,022	306,201	258,005
Interest	2,477	16,714	43,823
Miscellaneous	16,591	19,684	32,826
Total General Receipts	<u>1,034,902</u>	<u>980,894</u>	<u>986,893</u>
Total Receipts	<u>1,281,072</u>	<u>1,313,316</u>	<u>1,204,603</u>
Disbursements:			
General Government	226,734	202,866	195,954
Public Safety	378,717	299,856	264,898
Public Works	275,756	283,957	330,385
Health	51,924	51,686	47,477
Human Services	0	8,606	0
Conservation-Recreation	50,000	50,000	25,500
Capital Outlay	130,501	318,697	285,366
Other	0	1,073	0
Debt Service:			
Principal Retirement	43,170	41,412	36,985
Interest and Fiscal Charges	5,272	7,029	8,689
Total Disbursements	<u>1,162,074</u>	<u>1,265,182</u>	<u>1,195,254</u>
Increase (Decrease) in Net Assets	118,998	48,134	9,349
Net Assets, January 1	1,054,750	1,006,616	997,267
Net Assets, December 31	<u>\$1,173,748</u>	<u>\$1,054,750</u>	<u>\$1,006,616</u>

Program receipts represents 19 percent and 25 percent of total receipts in 2009 and 2008, respectively, and are primarily comprised of restricted receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

**LAGRANGE TOWNSHIP
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General receipts represent 81 percent and 75 percent of the Township's total receipts in 2009 and 2008, respectively. Property and other local taxes make up a majority of the balance of the Township's general receipts (62 and 65 percent for 2009 and 2008, respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of Board of Trustees/ Fiscal Officer, Zoning Department and various boards, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of fire protection/ambulance service, Public Health Services are fees paid to the Lorain County health department. Public Works is the cost of maintaining the roads. Conservation-Recreation is the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities on pages 12 and 23, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. For 2009, the major program disbursements for governmental activities are for public safety and public works, which account for 33 and 24 percent of all governmental disbursements, respectively. For 2008, the major program disbursements for governmental activities are for capital outlay and public safety, which account for 25 and 24 percent of all governmental disbursements, respectively. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and December 31, 2008
Unaudited

A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008
General Government	\$226,734	(\$216,324)	\$202,866	(\$194,095)
Public Safety	378,717	(265,790)	299,856	(223,982)
Public Works	275,756	(183,348)	283,957	(52,120)
Health	51,924	(44,187)	51,686	(48,546)
Human Services	0	22,688	8,606	4,194
Conservation-Recreation	50,000	(50,000)	50,000	(50,000)
Capital Outlay	130,501	(130,501)	318,697	(318,697)
Other	0	0	1,073	(1,073)
Principal Retirement	43,170	(43,170)	41,412	(41,412)
Interest and Fiscal Charges	5,272	(5,272)	7,029	(7,029)
Total Expenses	\$1,162,074	(\$915,904)	\$1,265,182	(\$932,760)

The Government's Funds

For 2009, total governmental funds had receipts of \$1,489,673 and disbursements of \$1,370,675. For 2008, total governmental funds had receipts of \$1,538,627 and disbursements of \$1,490,493. The greatest change within governmental funds occurred within the Fire and EMS Levy and Fire and EMS Equipment Fund in 2009 and 2008 respectively. The fund balance of the Fire and EMS Levy Fund decreased \$75,542 in 2009 due to increased public safety expenditures. The Fire and EMS Equipment Fund increased \$90,084 in 2008 due to a transfer from the General Fund.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009 and 2008, the Township amended its General Fund budget to reflect changing circumstances. Actual receipts were above final budgeted receipts due to increase in interest income and inheritance income. The difference between final budgeted receipts and actual receipts was significant.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure. Implementation of a tracking system is not yet definite.

**LAGRANGE TOWNSHIP
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Management's Discussion and Analysis
For the Years Ended December 31, 2009 and December 31, 2008
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Debt

At December 31, 2009, the Township's outstanding debt totaled \$135,989 in a park land note issued to pay the Townships portion of a joint venture with the Village of LaGrange to develop approximately 40 acres of land co-owned by the Township and Village and an OPWC Loan to pay for the widening and reconstruction of Whitney Road. For further information regarding Township's debt, refer to Note 9 to basic financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our prudent spending habits help to ease the crunch in property tax. We continue to have support for our levy's and live within the income they produce. We have had no new levies, they are always renewals.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Roberta Dove Moore, Fiscal Officer, LaGrange Township, 353 South Center Street, P.O. Box 565, LaGrange, Ohio 44050.

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LaGrange Township
Lorain County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,173,748</u>
<i>Total Assets</i>	<u><u>\$1,173,748</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$237,965
Debt Service	27
Other Purposes	510,752
Unrestricted	<u>425,004</u>
<i>Total Net Assets</i>	<u><u>\$1,173,748</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$226,734	\$10,410	\$0	(\$216,324)
Public Safety	378,717	112,927	0	(265,790)
Public Works	275,756	0	92,408	(183,348)
Health	51,924	7,737	0	(44,187)
Human Services	0	22,688	0	22,688
Conservation-Recreation	50,000	0	0	(50,000)
Capital Outlay	130,501	0	0	(130,501)
Debt Service:				
Principal Retirement	43,170	0	0	(43,170)
Interest and Fiscal Charges	5,272	0	0	(5,272)
Total Governmental Activities	\$1,162,074	\$153,762	\$92,408	(915,904)
General Receipts				
Property Taxes				644,812
Grants and Entitlements not Restricted to Specific Programs				371,022
Interest				2,477
Miscellaneous				16,591
<i>Total General Receipts</i>				1,034,902
Change in Net Assets				118,998
<i>Net Assets, Beginning of Year</i>				1,054,750
<i>Net Assets, End of Year</i>				\$1,173,748

See accompanying notes to the basic financial statements

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LaGrange Township
Lorain County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Gasoline Tax	Road and Bridge	Fire and EMS Levy
Assets				
Equity in Pooled Cash and Cash Equivalents	\$425,004	\$186,288	\$128,998	\$152,133
<i>Total Assets</i>	<u>\$425,004</u>	<u>\$186,288</u>	<u>\$128,998</u>	<u>\$152,133</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	425,004	0	0	0
Special Revenue Funds	0	186,288	128,998	152,133
Debt Service Fund	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>\$425,004</u>	<u>\$186,288</u>	<u>\$128,998</u>	<u>\$152,133</u>

See accompanying notes to the basic financial statements

Fire and EMS Equipment	Other Governmental Funds	Total Governmental Funds
\$237,965	\$43,360	\$1,173,748
<u>\$237,965</u>	<u>\$43,360</u>	<u>\$1,173,748</u>

0	0	425,004
0	43,333	510,752
0	27	27
<u>237,965</u>	<u>0</u>	<u>237,965</u>
<u>\$237,965</u>	<u>\$43,360</u>	<u>\$1,173,748</u>

LaGrange Township
Lorain County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Gasoline Tax	Road and Bridge	Fire and EMS Levy
Receipts				
Property and Other Local Taxes	\$184,697	\$0	\$164,335	\$271,530
Charges for Services	0	0	0	112,927
Licenses, Permits and Fees	10,410	0	0	0
Intergovernmental	250,905	86,830	29,572	54,417
Interest	1,774	369	0	0
Other	2,894	0	12,745	783
<i>Total Receipts</i>	<u>450,680</u>	<u>87,199</u>	<u>206,652</u>	<u>439,657</u>
Disbursements				
Current:				
General Government	226,734	0	0	0
Public Safety	0	0	0	378,717
Public Works	8,811	43,822	183,123	0
Health	0	0	0	0
Conservation-Recreation	0	0	0	0
Capital Outlay	57,853	0	3,340	23,555
Debt Service:				
Principal Retirement	0	2,768	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Disbursements</i>	<u>293,398</u>	<u>46,590</u>	<u>186,463</u>	<u>402,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>157,282</u>	<u>40,609</u>	<u>20,189</u>	<u>37,385</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(95,674)	0	0	(112,927)
<i>Total Other Financing Sources (Uses)</i>	<u>(95,674)</u>	<u>0</u>	<u>0</u>	<u>(112,927)</u>
<i>Net Change in Fund Balances</i>	61,608	40,609	20,189	(75,542)
<i>Fund Balances, Beginning of Year</i>	<u>363,396</u>	<u>145,679</u>	<u>108,809</u>	<u>227,675</u>
<i>Fund Balances, End of Year</i>	<u><u>\$425,004</u></u>	<u><u>\$186,288</u></u>	<u><u>\$128,998</u></u>	<u><u>\$152,133</u></u>

See accompanying notes to the basic financial statements

Fire and EMS Equipment	Other Governmental Funds	Total Governmental Funds
\$0	\$24,250	\$644,812
0	0	112,927
0	22,688	33,098
0	41,706	463,430
334	0	2,477
0	7,906	24,328
334	96,550	1,281,072
0	0	226,734
0	0	378,717
0	40,000	275,756
0	51,924	51,924
0	50,000	50,000
45,753	0	130,501
0	40,402	43,170
0	5,272	5,272
45,753	187,598	1,162,074
(45,419)	(91,048)	118,998
112,927	95,674	208,601
0	0	(208,601)
112,927	95,674	0
67,508	4,626	118,998
170,457	38,734	1,054,750
<u>\$237,965</u>	<u>\$43,360</u>	<u>\$1,173,748</u>

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$183,685	\$183,685	\$184,697	\$1,012
Licenses, Permits and Fees	8,000	8,000	10,410	2,410
Intergovernmental	161,954	161,954	250,905	88,951
Special Assessments	1,000	1,000	0	(1,000)
Interest	10,000	10,000	1,774	(8,226)
Other	5,000	5,000	2,894	(2,106)
<i>Total receipts</i>	<u>369,639</u>	<u>369,639</u>	<u>450,680</u>	<u>81,041</u>
Disbursements				
Current:				
General Government	325,300	325,300	226,734	98,566
Public Works	32,000	32,000	8,811	23,189
Health	2,000	2,000	0	2,000
Capital Outlay	60,000	60,000	57,853	2,147
<i>Total Disbursements</i>	<u>419,300</u>	<u>419,300</u>	<u>293,398</u>	<u>125,902</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(49,661)</u>	<u>(49,661)</u>	<u>157,282</u>	<u>206,943</u>
Other Financing Sources (Uses)				
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(96,000)	(96,000)	(95,674)	326
Advances In	5,000	5,000	0	(5,000)
Advances Out	(10,000)	(10,000)	0	10,000
Other Financing Uses	(217,734)	(217,734)	0	217,734
<i>Total Other Financing Sources (Uses)</i>	<u>(313,734)</u>	<u>(313,734)</u>	<u>(95,674)</u>	<u>218,060</u>
<i>Net Change in Fund Balance</i>	<u>(363,395)</u>	<u>(363,395)</u>	<u>61,608</u>	<u>425,003</u>
<i>Fund Balance, Beginning of Year</i>	<u>363,396</u>	<u>363,396</u>	<u>363,396</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$425,004</u>	<u>\$425,003</u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$93,215	\$93,215	\$86,830	(\$6,385)
Interest	500	500	369	(131)
<i>Total receipts</i>	<u>93,715</u>	<u>93,715</u>	<u>87,199</u>	<u>(6,516)</u>
Disbursements				
Current:				
Public Works	232,232	232,232	43,822	188,410
Debt Service:				
Principal Retirement	<u>2,768</u>	<u>2,768</u>	<u>2,768</u>	<u>0</u>
<i>Total Disbursements</i>	<u>235,000</u>	<u>235,000</u>	<u>46,590</u>	<u>188,410</u>
<i>Net Change in Fund Balance</i>	(141,285)	(141,285)	40,609	181,894
<i>Fund Balance, Beginning of Year</i>	<u>145,679</u>	<u>145,679</u>	<u>145,679</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$4,394</u></u>	<u><u>\$4,394</u></u>	<u><u>\$186,288</u></u>	<u><u>\$181,894</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$160,999	\$160,999	\$164,335	\$3,336
Intergovernmental	30,072	30,072	29,572	(500)
Other	1,000	1,000	12,745	11,745
<i>Total receipts</i>	<u>192,071</u>	<u>192,071</u>	<u>206,652</u>	<u>14,581</u>
Disbursements				
Current:				
Public Works	268,500	268,500	183,123	85,377
Capital Outlay	27,000	27,000	3,340	23,660
<i>Total Disbursements</i>	<u>295,500</u>	<u>295,500</u>	<u>186,463</u>	<u>109,037</u>
<i>Net Change in Fund Balance</i>	(103,429)	(103,429)	20,189	123,618
<i>Fund Balance, Beginning of Year</i>	<u>108,809</u>	<u>108,809</u>	<u>108,809</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$5,380</u></u>	<u><u>\$5,380</u></u>	<u><u>\$128,998</u></u>	<u><u>\$123,618</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire and EMS Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$278,527	\$278,527	\$271,530	(\$6,997)
Charges for Services	75,000	75,000	112,927	37,927
Intergovernmental	64,417	64,417	54,417	(10,000)
Other	5,000	5,000	783	(4,217)
<i>Total receipts</i>	<u>422,944</u>	<u>422,944</u>	<u>439,657</u>	<u>16,713</u>
Disbursements				
Current:				
General Government	150	150	0	150
Public Safety	433,750	447,750	378,717	69,033
Human Services	500	500	0	500
Capital Outlay	88,250	88,250	23,555	64,695
<i>Total Disbursements</i>	<u>522,650</u>	<u>536,650</u>	<u>402,272</u>	<u>134,378</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(99,706)</u>	<u>(113,706)</u>	<u>37,385</u>	<u>151,091</u>
Other Financing Sources (Uses)				
Transfers In	500	500	0	(500)
Transfers Out	(114,000)	(114,000)	(112,927)	1,073
Advances In	500	500	0	(500)
<i>Total Other Financing Sources (Uses)</i>	<u>(113,000)</u>	<u>(113,000)</u>	<u>(112,927)</u>	<u>73</u>
<i>Net Change in Fund Balance</i>	(212,706)	(226,706)	(75,542)	151,164
<i>Fund Balance, Beginning of Year</i>	<u>227,675</u>	<u>227,675</u>	<u>227,675</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u><u>\$14,969</u></u>	<u><u>\$969</u></u>	<u><u>\$152,133</u></u>	<u><u>\$151,164</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2009

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$373</u>
<i>Total Assets</i>	<u><u>\$373</u></u>
Net Assets	
Held in Trust for Various Deposits	<u>\$373</u>
<i>Total Fund Balances</i>	<u><u>\$373</u></u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,054,750
<i>Total Assets</i>	\$1,054,750
 Net Assets	
Restricted for:	
Capital Projects	\$170,457
Debt Service	27
Other Purposes	520,870
Unrestricted	363,396
<i>Total Net Assets</i>	\$1,054,750

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$202,866	\$8,771	\$0	\$0	(\$194,095)
Public Safety	299,856	75,874	0	0	(223,982)
Public Works	283,957	0	103,098	128,739	(52,120)
Health	51,686	3,140	0	0	(48,546)
Human Services	8,606	12,800	0	0	4,194
Conservation-Recreation	50,000	0	0	0	(50,000)
Capital Outlay	318,697	0	0	0	(318,697)
Other	1,073	0	0	0	(1,073)
Debt Service:					
Principal Retirement	41,412	0	0	0	(41,412)
Interest and Fiscal Charges	7,029	0	0	0	(7,029)
Total Governmental Activities	<u>\$1,265,182</u>	<u>\$100,585</u>	<u>\$103,098</u>	<u>\$128,739</u>	<u>(932,760)</u>
General Receipts					
Property Taxes					638,295
Grants and Entitlements not Restricted to Specific Programs					306,201
Interest					16,714
Miscellaneous					19,684
<i>Total General Receipts</i>					980,894
Change in Net Assets					48,134
<i>Net Assets, Beginning of Year</i>					<u>1,006,616</u>
<i>Net Assets, End of Year</i>					<u><u>\$1,054,750</u></u>

See accompanying notes to the basic financial statements

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LaGrange Township
Lorain County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire and EMS Levy</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$363,396	\$145,679	\$108,809	\$227,675
<i>Total Assets</i>	<u>\$363,396</u>	<u>\$145,679</u>	<u>\$108,809</u>	<u>\$227,675</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	363,396	0	0	0
Special Revenue Funds	0	145,679	108,809	227,675
Debt Service Fund	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>\$363,396</u>	<u>\$145,679</u>	<u>\$108,809</u>	<u>\$227,675</u>

See accompanying notes to the basic financial statements

Fire and EMS Equipment	Issue II	Other Governmental Funds	Total Governmental Funds
\$170,457		\$38,734	\$1,054,750
<u>\$170,457</u>	<u>\$0</u>	<u>\$38,734</u>	<u>\$1,054,750</u>
0	0	0	363,396
0	0	38,707	520,870
0	0	27	27
170,457	0	0	170,457
<u>\$170,457</u>	<u>\$0</u>	<u>\$38,734</u>	<u>\$1,054,750</u>

LaGrange Township
Lorain County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Fire and EMS Levy
Receipts				
Property and Other Local Taxes	\$182,410	\$0	\$163,486	\$268,336
Charges for Services	0	0	0	75,874
Licenses, Permits and Fees	8,771	0	0	0
Intergovernmental	172,898	97,120	28,786	51,322
Interest	13,606	2,045	0	0
Other	2,632	0	11,028	5,006
<i>Total Receipts</i>	<u>380,317</u>	<u>99,165</u>	<u>203,300</u>	<u>400,538</u>
Disbursements				
Current:				
General Government	202,866	0	0	0
Public Safety	0	0	0	299,856
Public Works	13,397	67,385	165,902	0
Health	0	0	0	0
Human Services	0	0	0	8,606
Conservation-Recreation	0	0	0	0
Capital Outlay	33,581	0	94,421	16,203
Debt Service:				
Principal Retirement	1,384	1,384	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Disbursements</i>	<u>251,228</u>	<u>68,769</u>	<u>260,323</u>	<u>324,665</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>129,089</u>	<u>30,396</u>	<u>(57,023)</u>	<u>75,873</u>
Other Financing Sources (Uses)				
OPWC Loans Issued	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(90,537)	0	0	(134,774)
Other Financing Uses	(1,073)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(91,610)</u>	<u>0</u>	<u>0</u>	<u>(134,774)</u>
<i>Net Change in Fund Balances</i>	37,479	30,396	(57,023)	(58,901)
<i>Fund Balances, Beginning of Year</i>	<u>325,917</u>	<u>115,283</u>	<u>165,832</u>	<u>286,576</u>
<i>Fund Balances, End of Year</i>	<u>\$363,396</u>	<u>\$145,679</u>	<u>\$108,809</u>	<u>\$227,675</u>

See accompanying notes to the basic financial statements

Fire and EMS Equipment	Issue II	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$24,063	\$638,295
0	0	0	75,874
0	0	12,800	21,571
0	73,378	59,173	482,677
1,063	0	0	16,714
0	0	4,158	22,824
<u>1,063</u>	<u>73,378</u>	<u>100,194</u>	<u>1,257,955</u>
0	0	0	202,866
0	0	0	299,856
0	0	37,273	283,957
0	0	51,686	51,686
0	0	0	8,606
0	0	50,000	50,000
45,753	128,739	0	318,697
0	0	38,644	41,412
0	0	7,029	7,029
<u>45,753</u>	<u>128,739</u>	<u>184,632</u>	<u>1,264,109</u>
<u>(44,690)</u>	<u>(55,361)</u>	<u>(84,438)</u>	<u>(6,154)</u>
0	55,361	0	55,361
134,774	0	90,537	225,311
0	0	0	(225,311)
0	0	0	(1,073)
<u>134,774</u>	<u>55,361</u>	<u>90,537</u>	<u>54,288</u>
90,084	0	6,099	48,134
80,373	0	32,635	1,006,616
<u>\$170,457</u>	<u>\$0</u>	<u>\$38,734</u>	<u>\$1,054,750</u>

**LaGrange Township
Lorain County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Receipts				
Property and Other Local Taxes	\$202,000	\$202,000	\$182,410	(\$19,590)
Licenses, Permits and Fees	15,000	15,000	8,771	(6,229)
Intergovernmental	134,050	117,850	172,898	55,048
Interest	30,000	30,000	13,606	(16,394)
Other	10,000	10,000	2,632	(7,368)
<i>Total receipts</i>	<u>391,050</u>	<u>374,850</u>	<u>380,317</u>	<u>5,467</u>
Disbursements				
Current:				
General Government	255,200	255,200	202,866	52,334
Public Works	35,416	35,416	13,397	22,019
Health	2,000	2,000	0	2,000
Capital Outlay	50,000	50,000	33,581	16,419
Debt Service:				
Principal Retirement	1,384	1,384	1,384	0
<i>Total Disbursements</i>	<u>344,000</u>	<u>344,000</u>	<u>251,228</u>	<u>92,772</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>47,050</u>	<u>30,850</u>	<u>129,089</u>	<u>98,239</u>
Other Financing Sources (Uses)				
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(90,700)	(90,700)	(90,537)	163
Advances In	10,000	10,000	0	(10,000)
Advances Out	(10,000)	(10,000)	0	10,000
Other Financing Uses	(104,180)	(104,180)	(1,073)	103,107
<i>Total Other Financing Sources (Uses)</i>	<u>(189,880)</u>	<u>(189,880)</u>	<u>(91,610)</u>	<u>98,270</u>
<i>Net Change in Fund Balance</i>	<u>(142,830)</u>	<u>(159,030)</u>	<u>37,479</u>	<u>196,509</u>
<i>Fund Balance, Beginning of Year</i>	<u>325,917</u>	<u>325,917</u>	<u>325,917</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$183,087</u>	<u>\$166,887</u>	<u>\$363,396</u>	<u>\$196,509</u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$96,100	\$96,100	\$97,120	\$1,020
Interest	500	500	2,045	1,545
<i>Total receipts</i>	96,600	96,600	99,165	2,565
Disbursements				
Current:				
Public Works	169,916	169,916	67,385	102,531
Debt Service:				
Principal Retirement	1,384	1,384	1,384	0
<i>Total Disbursements</i>	171,300	171,300	68,769	102,531
<i>Net Change in Fund Balance</i>	(74,700)	(74,700)	30,396	105,096
<i>Fund Balance, Beginning of Year</i>	115,283	115,283	115,283	0
<i>Fund Balance, End of Year</i>	\$40,583	\$40,583	\$145,679	\$105,096

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$161,931	\$161,931	\$163,486	\$1,555
Intergovernmental	36,511	36,511	28,786	(7,725)
Other	7,000	7,000	11,028	4,028
<i>Total receipts</i>	<u>205,442</u>	<u>205,442</u>	<u>203,300</u>	<u>(2,142)</u>
Disbursements				
Current:				
Public Works	193,500	193,500	165,902	27,598
Capital Outlay	99,200	99,200	94,421	4,779
<i>Total Disbursements</i>	<u>292,700</u>	<u>292,700</u>	<u>260,323</u>	<u>32,377</u>
<i>Net Change in Fund Balance</i>	(87,258)	(87,258)	(57,023)	30,235
<i>Fund Balance, Beginning of Year</i>	<u>165,832</u>	<u>165,832</u>	<u>165,832</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$78,574</u>	<u>\$78,574</u>	<u>\$108,809</u>	<u>\$30,235</u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire and EMS Levy Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$263,678	\$263,678	\$268,336	\$4,658
Charges for Services	70,000	70,000	75,874	5,874
Intergovernmental	70,322	70,322	51,322	(19,000)
Other	5,000	5,000	5,006	6
<i>Total receipts</i>	<u>409,000</u>	<u>409,000</u>	<u>400,538</u>	<u>(8,462)</u>
Disbursements				
Current:				
General Government	450	450	0	450
Public Safety	398,100	400,100	299,856	100,244
Human Services	17,000	17,000	8,606	8,394
Capital Outlay	24,774	24,774	16,203	8,571
<i>Total Disbursements</i>	<u>440,324</u>	<u>442,324</u>	<u>324,665</u>	<u>117,659</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(31,324)</u>	<u>(33,324)</u>	<u>75,873</u>	<u>109,197</u>
Other Financing Sources (Uses)				
Transfers In	500	500	0	(500)
Transfers Out	(135,000)	(135,000)	(134,774)	226
Advances In	500	500	0	(500)
<i>Total Other Financing Sources (Uses)</i>	<u>(134,000)</u>	<u>(134,000)</u>	<u>(134,774)</u>	<u>(774)</u>
<i>Net Change in Fund Balance</i>	<u>(165,324)</u>	<u>(167,324)</u>	<u>(58,901)</u>	<u>108,423</u>
<i>Fund Balance, Beginning of Year</i>	<u>286,576</u>	<u>286,576</u>	<u>286,576</u>	<u>0</u>
<i>Fund Balance, End of Year</i>	<u>\$121,252</u>	<u>\$119,252</u>	<u>\$227,675</u>	<u>\$108,423</u>

See accompanying notes to the basic financial statements

LaGrange Township
Lorain County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2008

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$441
<i>Total Assets</i>	<u>\$441</u>
Net Assets	
Held in Trust for Various Deposits	\$441
<i>Total Fund Balances</i>	<u>\$441</u>

See accompanying notes to the basic financial statements

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008**

Note 1 – Reporting Entity

LaGrange Township, Lorain County, Ohio (the Township), is a body politic and corporate established in 1827 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, fire and emergency medical services and maintenance of Township roads and bridges. Police protection is provided by the Lorain County Sheriff.

B. Joint Ventures and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio Townships. Note 6 to the financial statements provides additional information for this entity.

The Township and the Village of LaGrange formed a joint park and recreation board pursuant to Ohio Revised Code Section 755.14(B). Note 11 to the financial statements provides additional information for this entity.

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

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

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

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements show only those activities of the Township that are governmental because the Township has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into two categories, governmental and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. For Fiscal Years 2009 and 2008, the Township had the following major funds:

General Fund – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Funds (Continued)

Gasoline Tax Fund – This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

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

Fire and EMS Levy Fund – This fund receives property tax money to provide for general operating expenses of fire and emergency medical services.

Fire and EMS Equipment Fund – This fund provides for capital equipment purchases for fire and emergency medical services.

Issue II Fund (2008 only) - This fund accounts for transactions relating to the Ohio Public Works Commission infrastructure project (Issue II money).

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

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township's agency fund accounts for commercial permit fees collected and paid to an outside inspector.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2009 and 2008, the Township only invested in a money market demand account. The Township's money market investment is recorded at the amount reported by FirstMerit Bank on December 31, 2009 and December 31, 2008.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund was \$1,774 and \$13,606 during 2009 and 2008, respectively.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General, Gasoline Tax, Road and Bridge, and Fire and EMS Levy funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 4 - Deposits and Investments (Continued)

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

The carrying value of the Township's deposits is \$1,173,748 and \$1,054,750 for 2009 and 2008, respectively. Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. \$964,408 of the Township's bank balance of \$1,214,408 at December 31, 2009, and \$973,978 of the Township's bank balance of \$1,073,978 at December 31, 2008 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 4 - Deposits and Investments (Continued)

Deposits (Continued)

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes respectively. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2009, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property taxes have been phased out for general personal property. The assessment percentage for all property including inventory for 2008 was 6.25 percent and reduced to zero for 2009. Tangible personal property tax revenue received during calendar year 2009 (other than public utility property tax) represents the collection of 2009 taxes levied only against local and inter-exchange telephone companies. Tangible personal property taxes received in calendar year 2009 and 2008 were levied after October 1, 2008 and October 1, 2007 on the value as of December 31, 2008 and December 31, 2007. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 5 – Property Taxes (Continued)

The full tax rate for all Township operations for the year ended December 31, 2009, was \$6.28 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$90,981,770
Public Utility Property	3,961,440
Tangible Personal Property	95,703
Total Assessed Values	<u>\$95,038,913</u>

The full tax rate for all Township operations for the year ended December 31, 2008, was \$6.28 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	\$89,611,540
Public Utility Property	3,956,770
Tangible Personal Property	253,226
Total Assessed Values	<u>\$93,821,536</u>

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

Note 6 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 6 – Risk Management (Continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	(12,981,818)	(13,357,837)
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$9,338,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2007	\$30,314
2008	\$27,689

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description - The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional plans.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and 2008, members in state and local classifications contributed 10 percent of covered payroll.

A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2009 and 2008, state and local employers contributed at a rate of 14.00% of covered payroll. The portion of employer contributions allocated to health care was 7.00% in 2009 and 2008 for all employers.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$27,713, \$23,506, and \$26,967 respectively. The full amount has been contributed for 2009, 2008 and 2007.

Social Security System

Effective August 3, 1992, any new part-time Township firefighter is no longer covered by OPERS and must contribute to social security. The Township's liability is 6.2 percent of wages paid. Total contribution to social security for the years ended December 31, 2009, 2008, and 2007 were \$1,708, \$1,877, and \$2,052, respectively.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll for 2009 and 2008.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$27,713, \$23,506, and \$26,967 respectively. The full amount has been contributed for 2009, 2008 and 2007. .

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 9 - Debt

A summary of the Township's Long Term Debt Activity for the year ended December 31, 2009, follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009
2003 Park Land Notes	4.54%	\$126,566	\$0	\$40,402	\$86,164
2008 OPWC Loan	0%	52,593	0	2,768	49,825
Total		<u>\$179,159</u>	<u>\$0</u>	<u>\$43,170</u>	<u>\$135,989</u>

A summary of the Township's Long Term Debt Activity for the year ended December 31, 2008, follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
2003 Park Land Notes	4.54%	\$165,210	\$0	\$38,644	\$126,566
2008 OPWC Loan	0%	0	55,361	2,768	52,593
Total		<u>\$165,210</u>	<u>\$55,361</u>	<u>\$41,412</u>	<u>\$179,159</u>

The Park Land Note was issued to pay for the Township's portion of a joint venture with the Village of LaGrange to develop approximately 40 acres of land co-owned by the Village and Township.

The Ohio Public Works Commission Loan was issued in 2008 to pay for the widening and reconstruction of Whitney Road.

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

Long Term Debt					
Year Ending 12/31,	Park Land Note Principal	Park Land Note Interest	OPWC Loan Principal	OPWC Loan Interest	Total
2010	\$42,194	\$3,480	\$2,768	\$0	\$48,442
2011	43,970	1,515	2,768	0	48,253
2012	0	0	2,768	0	2,768
2013	0	0	2,768	0	2,768
2014	0	0	2,768	0	2,768
2015-2019	0	0	13,840	0	2,768
2020-2024	0	0	13,840	0	2,768
2025-2027	0	0	8,305	0	2,768
	<u>\$86,164</u>	<u>\$4,995</u>	<u>\$49,825</u>	<u>\$0</u>	<u>\$140,984</u>

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008
(CONTINUED)**

Note 10 – Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
General Note Retirement Fund	\$95,674
Transfers from Fire and EMS Levy Fund to:	
Fire and EMS Equipment Fund	112,927
Total Transfers	<u>\$208,601</u>

During 2008 the following transfers were made:

Transfers from the General Fund to:	
General Note Retirement Fund	\$90,537
Transfers from Fire and EMS Levy Fund to:	
Fire and EMS Equipment Fund	134,774
Total Transfers	<u>\$225,311</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers from the Fire and EMS Levy Fund to the Fire and EMS Equipment Fund represent the amounts received from EMS service charges which will be used to purchase equipment.

Note 11 – Joint Ventures

LaGrange Township and the Village of LaGrange formed a joint park and recreation board pursuant to Ohio Revised Code Section 755.14(B) which is a joint venture. The LaGrange Community Park is governed by five members who are residents of either the Village or the Township. A chairperson is appointed for a term of one year on an alternating basis by the Township and the Village. The other Board members are appointed by the Township and the Village proportionately. The Board exercises all powers to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers. The participants retain an ongoing financial interest and responsibility. The Township appointed a voting majority of the members in fiscal year 2003 and may dissolve the Board at any time, upon one year written notice to the Village. Financial information may be obtained by contacting Debbie Zarbaugh, Clerk-Treasurer, 355 South Center Street, LaGrange, Ohio 44050.

LaGrange Township and the Village of LaGrange formed a joint community improvement corporation in 2005 pursuant to Ohio Revised Code Section 1724 which is a joint venture. The LaGrange Community Improvement Corporation is governed by a Board of Directors which consists of three to five members. The Village and Township are entitled to appoint two members with the fifth member being appointed by a majority vote of the other Board members. At any point in time at least 40% of the Board members must be elected officials of the Village or Township. The Corporation was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of 38.96 acres of property jointly owned by LaGrange Township and the Village of LaGrange.



Mary Taylor, CPA

Auditor of State

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

LaGrange Township
Lorain County
353 South Center Street
P.O. Box 565
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of LaGrange Township, Lorain County, (the Township) as of and for the years ended December 31, 2009 and December 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 24, 2010, wherein we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 24, 2010.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 24, 2010

**LAGRANGE TOWNSHIP
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Ohio Revised Code Section 5705.41(D)1 Encumbrance of Funds	No	Partially Corrected; Moved to Management Letter
2007-002	Ohio Revised Code Section 5705.41(B) Expenditures Exceeding Appropriations	Yes	n/a
2007-003	Ohio Revised Code Section 5705.38 Legal Level of Budgetary Control	Yes	n/a
2007-004	Approval of ambulance billing rates and review of various reports from LifeCare Ambulance, Inc.	No	Partially Corrected; Moved to Management Letter



Mary Taylor, CPA
Auditor of State

LAGRANGE TOWNSHIP

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 13, 2010