

VILLAGE OF LAGRANGE

LORAIN COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2010

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Village Council
Village of LaGrange
355 South Center Street
LaGrange, Ohio 44050

We have reviewed the *Report of Independent Accountants* of the Village of LaGrange, Lorain County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 15, 2012

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**VILLAGE OF LAGRANGE
LORAIN COUNTY, OHIO
Audit Report
For the Year Ending December 31, 2010**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Village of LaGrange
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To Village Council:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lagrange, Lorain County (the Village), as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion 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. We believe that our audit provides a reasonable basis for our opinion.

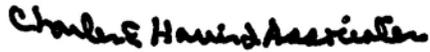
As discussed in Note 2, the Village of Lagrange, Lorain County, prepares its financial statements and notes on the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lagrange, Lorain County, as of December 31, 2010, and the respective changes in its cash basis financial position thereof and the respective budgetary comparison for the General and each major special revenue fund thereof for the year then ended in conformity with the basis of accounting described in Note 2.

As described in Note 1, the Village implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2012, on our consideration of the Village'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.

We conducted our audit to opine on the Village's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.



Charles E. Harris & Associates, Inc.
July 5, 2012

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

This discussion and analysis of the Village of LaGrange's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2010, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Financial Highlights

Key highlights for 2010 are as follows:

Net assets of governmental activities increased \$67,313 or 5.8 percent from the prior year. Nearly all funds contributed to this increase. The funds most affected by the increase in cash and cash equivalents were the general fund and the street construction maintenance repair fund.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 16.9 and 51.1 percent of the total cash received for governmental activities during the year. Property and other local tax receipts increased from 2009 by \$46,625 and income tax receipts increased from 2009 by \$67,437.

The water distribution operation and the sanitary sewer processing operation, business-type activities, also saw an increase in net assets by \$25,259.

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 Village'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 Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village 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 Village 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 Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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.

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2010, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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 Village's general receipts.

These statements report the Village'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 Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village'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 Village into two types of activities:

- Governmental activities - Most of the Village's basic services are reported here, including police, 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 Village has three business-type activities, the provision of water distribution, sanitary sewer service and the enterprise deposit fund. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village 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 Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village'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 Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major 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 Village's major governmental funds are the general fund and the street construction, maintenance, and repair fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has two major enterprise funds, the water fund and the sewer fund. When the services are provided to other departments of the Village, the service is reported as an internal service fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs. The Village's agency funds include sidewalk performance bonds, commercial permits, and Mayor's Court.

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2010 compared to 2009 on a cash basis:

Table 1

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Assets:						
Cash and investments	\$ 1,225,679	\$ 1,158,366	\$ 1,596,802	\$ 1,571,543	\$ 2,822,481	\$ 2,729,909
<i>Total Assets</i>	<u>1,225,679</u>	<u>1,158,366</u>	<u>1,596,802</u>	<u>1,571,543</u>	<u>2,822,481</u>	<u>2,729,909</u>
Net Assets:						
Restricted						
Debt service	-	5,152	-	-	-	5,152
Other purposes	300,146	304,749	-	-	300,146	304,749
Unrestricted	<u>925,533</u>	<u>848,465</u>	<u>1,596,802</u>	<u>1,571,543</u>	<u>2,522,335</u>	<u>2,420,008</u>
<i>Total Net Assets</i>	<u>\$ 1,225,679</u>	<u>\$ 1,158,366</u>	<u>\$ 1,596,802</u>	<u>\$ 1,571,543</u>	<u>\$ 2,822,481</u>	<u>\$ 2,729,909</u>

As mentioned previously, net assets of governmental activities and business-type activities increased during 2010.

The primary reasons contributing to the increase in cash balances are as follows:

- Property and other local taxes increased \$46,625 as a result of prior year late collections received within the year.
- Income tax increased \$67,437 as a result of economic factors affecting withholding and net profits of local businesses.
- Earnings on investments decreased \$5,913 also due to the nation-wide economic issues resulting in interest rates plummeting by the end of 2010.
- Net assets of business-type activities increased \$25,259 due in part to conservative spending.

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Table 2 reflects the changes in net assets on a cash basis in 2010 and 2009 for governmental activities and business type activities.

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Receipts:						
Program Receipts:						
Charges for services and sales	\$ 177,860	\$ 133,203	\$ 897,433	\$ 894,918	\$ 1,075,293	\$ 1,028,121
Operating grants and contributions	119,345	115,351	-	-	119,345	115,351
Capital grants and contributions	73,277	144,168	-	-	73,277	144,168
General Receipts:						
Property and other taxes	267,107	224,291	-	-	267,107	224,291
Municipal income taxes	805,870	738,433	-	-	805,870	738,433
Grants and entitlements	76,148	192,098	-	-	76,148	192,098
Cable franchise fees	-	6,610	-	-	-	6,610
Sale of capital assets	12,952	-	50	-	13,002	-
Earnings on investments	2,207	8,120	-	-	2,207	8,120
Miscellaneous	911	809	412	1	1,323	810
OPWC loan	31,114	-	-	-	31,114	-
Engineer loan	11,279	4,182	-	-	11,279	4,182
Total Receipts	<u>1,578,070</u>	<u>1,567,265</u>	<u>897,895</u>	<u>894,919</u>	<u>2,475,965</u>	<u>2,462,184</u>
Disbursements:						
Current:						
General government	381,073	394,602	-	-	381,073	394,602
Security of persons and property	465,041	492,854	-	-	465,041	492,854
Public health services	7,750	7,784	-	-	7,750	7,784
Leisure time activities	85,635	82,080	-	-	85,635	82,080
Community environment	40,998	58,595	-	-	40,998	58,595
Basic utility services	146,490	152,094	-	-	146,490	152,094
Transportation	60,300	64,489	-	-	60,300	64,489
Capital outlay	122,863	244,640	-	-	122,863	244,640
Debt Service:						
Principal retirement	92,389	91,983	-	-	92,389	91,983
Interest and fiscal charges	3,437	5,463	-	-	3,437	5,463
Water	-	-	519,533	632,264	519,533	632,264
Sewer	-	-	451,797	522,482	451,797	522,482
Enterprise deposit	-	-	6,087	6,218	6,087	6,218
Total Disbursements	<u>1,405,976</u>	<u>1,594,584</u>	<u>977,417</u>	<u>1,160,964</u>	<u>2,383,393</u>	<u>2,755,548</u>
Transfers	<u>(104,781)</u>	<u>(108,291)</u>	<u>104,781</u>	<u>108,291</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	<u>\$ 67,313</u>	<u>\$ (135,610)</u>	<u>\$ 25,259</u>	<u>\$ (157,754)</u>	<u>\$ 92,572</u>	<u>\$ (293,364)</u>

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Program receipts represent 51.2 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and water and sewer user charges. General receipts represent 48.8 percent of the Village's total receipts, and of this amount, over 43.3 percent are property and other local taxes and income taxes.

State and federal grants and entitlements, other debt proceeds, cable franchise fees, earnings on investments and miscellaneous revenues make up the balance of the Village's general receipts.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council and administration, solicitor's services and maintenance department.

Security of Persons and Property are the costs of police protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the park; the Community Environment department is the cost of zoning issues and engineering services; Basic Utility Services are the costs for solid waste collection; and Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property and general government, which account for 33.1 and 27.1 percent of all governmental disbursements (excluding transfers), respectively. Capital outlay and basic utilities also represent a significant cost, about 8.7 and 10.4 percent, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village 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. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3

	2010		2009		Net Change	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<i>Governmental Activities:</i>						
General government	\$ 381,073	\$ (341,931)	\$ 394,602	\$ (376,846)	\$ (13,529)	\$ 34,915
Security of persons and property	465,041	(462,512)	492,854	(492,854)	(27,813)	30,342
Public health services	7,750	(7,750)	7,784	(7,784)	(34)	34
Leisure time activities	85,635	(85,635)	82,080	(82,080)	3,555	(3,555)
Community environment	40,998	(40,998)	58,595	(48,655)	(17,597)	7,657
Basic utility services	146,490	(10,101)	152,094	(45,507)	(5,604)	35,406
Transportation	60,300	132,122	64,489	(49,782)	(4,189)	181,904
Capital outlay	122,863	(122,863)	244,640	(100,472)	(121,777)	(22,391)
Debt service:						
Principal retirement	92,389	(92,389)	92,003	(91,983)	386	(406)
Interest and fiscal charges	3,437	(3,437)	5,443	(5,463)	(2,006)	2,026
Total expenses	\$ 1,405,976	\$ (1,035,494)	\$ 1,594,584	\$ (1,301,426)	\$ (188,608)	\$ 265,932

The dependence upon property and income tax receipts is apparent as over 76.3 percent of governmental activities are supported through these general receipts.

Village of LaGrange
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Business-type Activities

The water distribution operation and sewer operation of the Village routinely reports receipts and cash disbursements that are relatively equal. Debt service expenditures in 2010 contributed to disbursements for principal and interest at 26.5 and 5.2 percent respectively. The net assets of the water fund increased \$31,600 over 2009 and net assets of the sewer fund decreased \$7,601 over 2009.

The Village's Funds

Total governmental funds had receipts of \$1,522,725 and disbursements of \$1,405,976. The greatest change within governmental funds occurred within the general fund. The fund balance of the general fund increased \$10,132 in part due to conservative spending.

General Fund Budgeting Highlights

The Village'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 funds are the general fund and the street construction maintenance and repair fund.

During 2010, the Village amended its general fund budget several times to reflect changing circumstances.

Final disbursements, excluding transfers, were budgeted at \$1,230,062 while actual disbursements were \$1,155,449 (including encumbrances). The Village kept spending very close to budgeted amounts.

Debt Administration

At December 31, 2010, the Village's outstanding principal debt is \$1,876,676. For further information regarding the Village's debt, refer to Note 11 to the basic financial statements.

	<u>2010</u>	<u>2009</u>
<i>Outstanding Debt</i>		
OPWC Loans	\$ 73,930	\$ 75,568
OWDA Loans	1,814,289	2,058,256
Land Loan	44,071	86,208
Engineering Agreement	<u>(55,614)</u>	<u>(34,393)</u>
Total debt	<u>\$ 1,876,676</u>	<u>\$ 2,185,639</u>

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and shrinking, funding. There is a heavy reliance upon local taxes.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village'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 Sheila D. Lanning, Fiscal Officer, Village of LaGrange, 355 S. Center St., LaGrange, Ohio 44050.

Village of LaGrange
Statement of Net Assets - Cash Basis
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and cash equivalents	\$ 1,225,679	\$ 1,596,802	\$ 2,822,481
Net Assets			
Restricted for:			
Other purposes	300,146	-	300,146
Unrestricted	925,533	1,596,802	2,522,335
Total net assets	\$ 1,225,679	\$ 1,596,802	\$ 2,822,481

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating		Governmental Activities	Business-Type Activities	Total
			Grants, Contributions and Interest	Capital Grants and Contributions			
Governmental Activities							
General government	\$ 381,073	\$ 39,142	\$ -	\$ -	\$ (341,931)	\$ -	\$ (341,931)
Security of persons and property	465,041	2,329	200	-	(462,512)	-	(462,512)
Public health services	7,750	-	-	-	(7,750)	-	(7,750)
Leisure time activities	85,635	-	-	-	(85,635)	-	(85,635)
Community environment	40,998	-	-	-	(40,998)	-	(40,998)
Basic utility services	146,490	136,389	-	-	(10,101)	-	(10,101)
Transportation	60,300	-	119,145	73,277	132,122	-	132,122
Capital outlay	122,863	-	-	-	(122,863)	-	(122,863)
Debt service:							
Principal retirement	92,389	-	-	-	(92,389)	-	(92,389)
Interest and fiscal charges	3,437	-	-	-	(3,437)	-	(3,437)
Total governmental activities	<u>1,405,976</u>	<u>177,860</u>	<u>119,345</u>	<u>73,277</u>	<u>(1,035,494)</u>	<u>-</u>	<u>(1,035,494)</u>
Business Type Activities							
Water	519,533	445,065	-	-	-	(74,468)	(74,468)
Sewer	451,797	445,018	-	-	-	(6,779)	(6,779)
Enterprise deposit	6,087	7,350	-	-	-	1,263	1,263
Total business-type activities	<u>977,417</u>	<u>897,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,984)</u>	<u>(79,984)</u>
Total government	<u>\$ 2,383,393</u>	<u>\$ 1,075,293</u>	<u>\$ 119,345</u>	<u>\$ 73,277</u>	<u>(1,035,494)</u>	<u>(79,984)</u>	<u>(1,115,478)</u>
General Receipts							
Municipal income taxes levied for:							
General purposes					805,870	-	805,870
Property taxes levied for:							
General purposes					267,107	-	267,107
Grants and entitlements not restricted							
to specific programs					76,148	-	76,148
OPWC loan					31,114	-	31,114
Engineer loan					11,279	-	11,279
Sale of capital assets					12,952	50	13,002
Interest					2,207	-	2,207
Miscellaneous					911	412	1,323
Total general receipts					<u>1,207,588</u>	<u>462</u>	<u>1,208,050</u>
Transfers					(104,781)	104,781	-
Total general receipts and transfers					<u>1,102,807</u>	<u>105,243</u>	<u>-</u>
Change in net assets					67,313	25,259	92,572
Net assets beginning of year					1,158,366	1,571,543	2,729,909
Net assets end of year					<u>\$ 1,225,679</u>	<u>\$ 1,596,802</u>	<u>\$ 2,822,481</u>

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Street Construction	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and cash equivalents	\$ 921,937	\$ 236,157	\$ 67,585	\$ 1,225,679
Fund Balances				
Restricted	-	236,157	63,989	300,146
Assigned	24,633	-	3,596	28,229
Unassigned	897,304	-	-	897,304
Total fund balances	\$ 921,937	\$ 236,157	\$ 67,585	\$ 1,225,679

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>General</u>	<u>Street Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts				
Municipal income taxes	\$ 805,870	\$ -	\$ -	\$ 805,870
Property and other local taxes	267,107	-	-	267,107
Charges for services	137,562	-	-	137,562
Fines, licenses and permits	37,240	-	3,058	40,298
Intergovernmental	76,150	99,221	92,780	268,151
Interest	2,207	573	46	2,826
Miscellaneous	911	-	-	911
Total receipts	<u>1,327,047</u>	<u>99,794</u>	<u>95,884</u>	<u>1,522,725</u>
Disbursements				
Current:				
General government	381,073	-	-	381,073
Security of persons and property	463,075	-	1,966	465,041
Public health services	7,750	-	-	7,750
Leisure time activities	85,635	-	-	85,635
Community environment	40,998	-	-	40,998
Basic utility services	146,490	-	-	146,490
Transportation	-	41,370	18,930	60,300
Capital outlay	5,795	12,677	104,391	122,863
Debt service:				
Principal retirement	-	-	92,389	92,389
Interest and fiscal charges	-	-	3,437	3,437
Total disbursements	<u>1,130,816</u>	<u>54,047</u>	<u>221,113</u>	<u>1,405,976</u>
Excess of receipts over (under) disbursements	<u>196,231</u>	<u>45,747</u>	<u>(125,229)</u>	<u>116,749</u>
Other financing sources (uses)				
OPWC loan	-	-	31,114	31,114
Engineer loan	-	-	11,279	11,279
Sale of capital assets	12,952	-	-	12,952
Transfers in	968	-	94,270	95,238
Transfers out	(200,019)	-	-	(200,019)
Total other financing sources (uses)	<u>(186,099)</u>	<u>-</u>	<u>136,663</u>	<u>(49,436)</u>
Net change in fund balance	10,132	45,747	11,434	67,313
Fund balances beginning of year	<u>911,805</u>	<u>190,410</u>	<u>56,151</u>	<u>1,158,366</u>
Fund balances end of year	<u>\$ 921,937</u>	<u>\$ 236,157</u>	<u>\$ 67,585</u>	<u>\$ 1,225,679</u>

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal income taxes	\$ 610,000	\$ 610,000	\$ 805,870	\$ 195,870
Property and other local taxes	227,100	227,100	267,107	40,007
Charges for services	75,000	75,000	137,562	62,562
Fines, licenses and permits	10,000	10,000	37,240	27,240
Intergovernmental	99,100	99,100	76,150	(22,950)
Interest	9,000	9,000	2,207	(6,793)
Miscellaneous	1,000	1,000	911	(89)
Total receipts	1,031,200	1,031,200	1,327,047	295,847
Disbursements				
Current:				
General government	383,150	424,934	388,311	36,623
Security of persons and property	423,663	483,401	467,162	16,239
Public health services	7,800	7,800	7,750	50
Leisure time activities	22,000	86,500	85,981	519
Community environment	32,933	64,183	53,477	10,706
Basic utility services	66,628	148,628	146,490	2,138
Transportation	6,000	5,500	483	5,017
Capital outlay	-	9,116	5,795	3,321
Total disbursements	942,174	1,230,062	1,155,449	74,613
Excess of receipts over (under) disbursements	89,026	(198,862)	171,598	370,460
Other financing sources (uses)				
Sale of capital assets	-	-	12,952	12,952
Transfers in	-	-	968	968
Transfers out	(94,270)	(200,019)	(200,019)	-
Other financing sources	-	643	-	(643)
Total other financing sources (uses)	(94,270)	(199,376)	(186,099)	13,277
Net change in fund balance	(5,244)	(398,238)	(14,501)	383,737
Fund balance at beginning of year	905,485	905,485	905,485	-
Prior year encumbrances appropriated	6,320	6,320	6,320	-
Fund balance at end of year	\$ 906,561	\$ 513,567	\$ 897,304	\$ 383,737

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 69,500	\$ 69,500	\$ 99,221	\$ 29,721
Interest	500	500	573	73
Total receipts	<u>70,000</u>	<u>70,000</u>	<u>99,794</u>	<u>29,794</u>
Disbursements				
Current:				
Transportation	65,000	60,754	42,779	17,975
Capital outlay	5,000	22,800	12,677	10,123
Total disbursements	<u>70,000</u>	<u>83,554</u>	<u>55,456</u>	<u>28,098</u>
Net change in fund balance	-	(13,554)	44,338	57,892
Fund balance at beginning of year	190,410	190,410	190,410	-
Fund balance at end of year	<u>\$ 190,410</u>	<u>\$ 176,856</u>	<u>\$ 234,748</u>	<u>\$ 57,892</u>

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2010

	Water	Sewer	Other Enterprise Fund	Total Enterprise Funds
Assets				
Equity in pooled cash and cash equivalen	\$ 931,463	\$ 639,244	\$ 26,095	\$ 1,596,802
Net assets				
Unrestricted	931,463	639,244	26,095	1,596,802
Total net assets	\$ 931,463	\$ 639,244	\$ 26,095	\$ 1,596,802

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Cash Receipts, Disbursements and Changes in Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2010

	Water	Sewer	Other Enterprise Fund	Total Enterprise Funds
Operating Receipts				
Charges for services	\$ 445,065	\$ 445,018	\$ 7,350	\$ 897,433
Operating Disbursements				
Personal services	75,224	105,112	-	180,336
Employee fringe benefits	22,739	45,928	-	68,667
Contractual services	262,139	95,547	-	357,686
Supplies and materials	11,149	40,378	-	51,527
Miscellaneous	-	-	6,087	6,087
Total operating disbursements	371,251	286,965	6,087	664,303
Operating income	73,814	158,053	1,263	233,130
Non-operating receipts (disbursements)				
Sale of capital assets	-	50	-	50
Capital outlay	(3,437)	-	-	(3,437)
Principal retirement	(120,480)	(138,487)	-	(258,967)
Interest and fiscal charges	(24,365)	(26,345)	-	(50,710)
Other financing sources	412	-	-	412
Total non-operating receipts and disbursements	(147,870)	(164,782)	-	(312,652)
Income before transfers	(74,056)	(6,729)	1,263	(79,522)
Transfers				
Transfers in	105,749	-	-	105,749
Transfers out	(93)	(872)	(3)	(968)
Total transfers	105,656	(872)	(3)	104,781
Change in net assets	31,600	(7,601)	1,260	25,259
Net assets beginning of year	899,863	646,845	24,835	1,571,543
Net assets end of year	\$ 931,463	\$ 639,244	\$ 26,095	\$ 1,596,802

See accompanying notes to the financial statements.

Village of LaGrange
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Fund
December 31, 2010

	<u>Agency</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 15,041
Net Assets	
Restricted for:	
Other purposes	<u>15,041</u>
Total net assets	<u>\$ 15,041</u>

See accompanying notes to the financial statements.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 1 – Reporting Entity

The Village of LaGrange, Lorain County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, and maintenance of Village roads, park operations, and police services.

B. Joint Ventures, Jointly Governed Organizations 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. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures.

LaGrange Village and LaGrange Township are joint ventures in the operation of the LaGrange Community Park. Further information regarding this joint venture can be found in Note 14.

The Village also entered into an agreement with LaGrange Township for the purchase of land for a proposed Village/Township hall. The Village of LaGrange and LaGrange Township formed the LaGrange Community Improvement Corporation in March 2005 to act as agent for the Village and Township to develop and implement a plan for the subdivision, sale and lease of real estate jointly owned by the Village and the Township. Further information regarding this jointly governed organization can be found in Note 15.

The Village's management believes these financial statements present all activities for which the Village 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 and the fund financial statements for the proprietary funds, 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. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

A. Basis of Presentation

The Village'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.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. 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 balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type 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 Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions are restricted to meeting the operational or capital requirements of 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 or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village 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 Village at this more detailed level. The focus of governmental and enterprise 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.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village 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 Village are divided into three categories, governmental, proprietary and fiduciary.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Village's major governmental funds are the general fund and the street construction, maintenance, and repair fund. The general 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 Village for any purpose provided it is expended or transferred according to the general laws of Ohio. The street construction, maintenance and repair fund receives gasoline and motor vehicle tax for the purpose of constructing, maintaining, and repairing Village streets. The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service. The Village does not have an internal service fund.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the water fund and sewer fund.

Water Fund - The Water Fund accounts for the provision of water to the residents and commercial users located within the Village service territory.

Sewer Fund - The Sewer Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village service territory.

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 Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund accounts for sidewalk performance bonds, commercial permits, and Mayor's Court activity.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village'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 Village 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 related expenses) are not recorded in these financial statements.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

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 Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, division, and, within each, the amount appropriated for personal services.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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 Village Council.

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 Village Council during the year.

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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 (contra revenue) respectively.

During 2010, the Village invested in nonnegotiable certificates of deposit, and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2010 was \$2,207 which includes \$1,432 assigned from other Village funds.

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. The Village has no restricted assets.

G. Inventory and Prepaid Items

The Village 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. 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 Village's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Village'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.

L. 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. Net assets restricted for other purposes include resources restricted for the construction and maintenance of Village streets and the support of the police department.

The Village'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.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted fund balance category includes amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as 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 fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Village Council. Those committed amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Village Council.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village 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.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

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 non-operating 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 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	<u>General</u>	<u>Street Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Restricted for</u>				
Park and recreation	\$ -	\$ -	\$ 2,735	\$ 2,735
Mayor's court	-	-	4,353	4,353
Law enforcement	-	-	6,253	6,253
Street and highway repair	-	236,157	50,648	286,805
Total restricted	<u>-</u>	<u>236,157</u>	<u>63,989</u>	<u>300,146</u>
<u>Assigned</u>				
Encumbrances	24,633	-	-	24,633
Debt service payments	-	-	3,596	3,596
Total assigned	<u>24,633</u>	<u>-</u>	<u>3,596</u>	<u>28,229</u>
Unassigned (deficit)	<u>897,304</u>	<u>-</u>	<u>-</u>	<u>897,304</u>
Total fund balances	<u>\$ 921,937</u>	<u>\$ 236,157</u>	<u>\$ 67,585</u>	<u>\$ 1,225,679</u>

Note 4 – 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 fund and street construction, maintenance and repair fund and are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$24,633 for the general fund and \$1,409 for the street construction, maintenance, and repair fund.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 5 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village 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 Council has 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.

Interim monies held by the Village 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 Corporations, 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).

An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the Village's bank balance of \$308,092 were all insured by the Federal Depository Insurance Corporation.

The Village 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 Village 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.

B. Investments

Investment type	Fair Value	Maturity	Rating ⁽¹⁾
STAR Ohio	\$ 2,529,430	58 ⁽²⁾	AAAm

⁽¹⁾ Standard and Poor's rating

⁽²⁾ Days (Average)

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's does not have an investment policy beyond the requirements of state statute. Ohio law addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 6 – Income Taxes

The Village levies a 1.0 percent income tax whose proceeds are placed into the general fund and another .5 percent levy that is in the general fund but is limited to expenditures for law enforcement and street repairs. The Village levies the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of 100 percent of taxes paid to another city. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (R.I.T.A.) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2010 represent the collection of 2009 taxes. Real property taxes received in 2010 were levied after October 1, 2009, on the assessed values as of January 1, 2009, 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 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien on December 31, 2009, were levied after October 1, 2009, and collected 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 tax receipts received in 2010 (other than public utility property) represent the collection of 2010 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value as of December 31, 2009. The tangible personal property tax was phased out for most taxpayers however, the tax will temporarily continue to apply to telephone companies and inter-exchange telecommunications companies which is being phased out according to a different schedule. For these companies the assessment percentage will fall to zero in the 2011 tax year.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

The full tax rate for all Village operations for the year ended December 31, 2010, was \$5.23 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2010 property tax receipts were based are as follows:

	2010 <u>Collection Year</u>
Real Property	
Residential and Agricultural	\$ 40,958,470
Commercial, industrial and minerals	11,295,420
Tangible Personal Property	
Public Utility	1,313,250
Telephone Tangible	-
Total Assessed Value	<u>\$ 53,567,140</u>

Note 8 – Risk Management

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Law enforcement liability;
- Public official liability;
- Employee dishonesty;
- Boiler and machinery;
- Vehicles, and
- Errors and omissions

Settled Claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Village provides health insurance with dental, vision, and prescription coverage to full-time employees through the Lorain County Health Care Insurance Program. Term life insurance obtained through Lorain County is also provided to full-time employees.

Note 9 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension 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 MD.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

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, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Member and employer contributions rates were consistent across all three plans (TP, MD and CP). For the year ended December 31, 2010, Village employees were required to contribute 10% of their annual covered salary. The Village's contribution rate for 2010 was 14%. The contribution rates are determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009 and 2008 were \$36,414, \$35,039, and \$28,659 respectively. The full amount has been contributed for 2010, 2009 and 2008.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5% for police officers, of which 12.75% was used to fund pension plans. Contributions are authorized by State statute. The Village's contributions to the Fund for the years ended December 31, 2010, 2009 and 2008 were \$31,863, \$34,485 and \$33,347 respectively. The full amount has been contributed for 2010, 2009 and 2008.

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan (MD) – a defined contribution plan; and the combined plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-retirement health care coverage, age and service retirees under the traditional pension and combined plans must have 10 or more years of qualifying Ohio service credit. Health care

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the Village contributed at a rate of 14% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above, are the contractually required contribution rates for OPERS. Actual employer contributions for the years ended December 31, 2010, 2009 and 2008 which were used to fund postemployment benefits were \$20,230, \$25,336, and \$28,658, respectively. The full amount has been contributed for 2010, 2009, and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% of covered payroll for police. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OP&F for the years ending December 31, 2010, 2009, and 2008 were \$48,731, \$52,742 and \$51,002, of which \$16,869, \$18,257 and \$17,655, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2010, 2009, and 2008.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Note 11 – Debt

The Village's long-term debt activity for the year ended December 31, 2010, was as follows:

	Interest Rates	Balance at 1/1/2009	Increase	Decrease	Balance at 12/31/2010
Governmental Activities:					
O.P.W.C. Loans	0%	\$ 45,568	\$ 31,114	\$ (17,752)	\$ 58,930
Land Loan	4.54%	86,208	-	(42,137)	44,071
County Engineer Loan *	0%	(34,393)	11,279	(32,500)	(55,614)
Total Governmental Activities		<u>\$ 97,383</u>	<u>\$ 42,393</u>	<u>\$ (92,389)</u>	<u>\$ 47,387</u>
Business-Type Activities:					
O.P.W.C. Loans	0%	\$ 30,000	-	\$ (15,000)	\$ 15,000
O.W.D.A. Loans	1.5% to 7.56%	2,058,256	-	(243,967)	1,814,289
Total Business-Type Activities		<u>\$ 2,088,256</u>	<u>\$ -</u>	<u>\$ (258,967)</u>	<u>\$ 1,829,289</u>

* - As of December 31, 2010, the Village had only drawn down \$41,886 from the Lorain County Engineer to pay engineering expenses for the State Route 301 project. The total cooperative agreement was for \$325,000 with annual payments of \$32,500 which began in 2008. The remaining balance will be drawn as the project progresses.

The General Obligation Bond is supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.

The Ohio Public Works Commission (OPWC) loans were for the improvement of Village streets and the installation of a waterline. The Governmental Activities OPWC loans are collateralized by the Village's taxing authority and the Business Type Activities OPWC loan is collateralized by water revenue.

The Ohio Water Development Authority (OWDA) loans relate to a sewer plant expansion and water improvement projects and the construction of a new elevated water tower project. The loans are secured by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The loan for the purchase of park land and the loan for the engineering cooperative agreement are collateralized by the Village's taxing authority. The Village will not be required to make a loan payment to the County Engineer in 2011 because the project was stalled, however the payments will resume in 2012.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

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

Year Ending December 31:	O.P.W.C Loans	O.W.D.A Loans		County Engineer Loan	Land Loan	
	Principal	Principal	Interest	Principal	Principal	Interest
2011	\$ 23,761	\$ 237,866	\$ 41,989	\$ -	\$ 44,071	\$ 1,502
2012	8,761	224,087	33,598	32,500	-	-
2013	8,761	214,022	26,420	32,500	-	-
2014	7,003	220,253	20,189	32,500	-	-
2015	5,244	171,759	13,728	32,500	-	-
2016-2021	20,400	617,226	35,427	97,500	-	-
2022-2024	-	129,076	1,454	-	-	-
Total	<u>\$ 73,930</u>	<u>\$ 1,814,289</u>	<u>\$ 172,805</u>	<u>\$ 227,500</u>	<u>\$ 44,071</u>	<u>\$ 1,502</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

Note 12 – Interfund Transfers

During 2010, the following transfers were made:

Transfers from general fund to:	
Other governmental funds	\$ 94,270
Water fund	105,749
Transfers to the general fund from:	
Water fund	93
Sewer fund	872
Other enterprise fund	<u>3</u>
Total transfers	<u>\$ 200,987</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. During 2010, transfers related to unclaimed money were made to the general fund which tracks and reports this activity.

Note 13 – Contingent Liabilities

The Village is not aware of any pending lawsuits. Although management cannot presently determine the outcome of any suits, they believe the resolution of these matters will not materially adversely affect the Village's financial condition.

Village of LaGrange
Notes to the Financial Statements
For the Year Ended December 31, 2010

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 14 – Joint Ventures

As previously stated in Note 1, the Village and LaGrange Township share the cost of operation and development of the LaGrange Business Park. The purchase of property (38 acres) by the Village and LaGrange Township is being developed as the LaGrange Business Park. Costs for development are being shared equally. The LaGrange Joint Park and Recreation Board was created on October 13, 1997 to oversee the operation of the LaGrange Community Park. The Board is comprised of five members who are residents of either the Village or the Township. Two members are appointed by the Village Council and the Township Trustees, with the fifth member, designated as chairperson for one year, appointed, on an annual alternating basis, by the Village Council and the Township Trustees. The Board must receive approval from the legislative bodies of both the Village and the Township on any contracts, agreements, and other commitments for expenditure of property. The Village and the Township have an equal interest in the real and personal property of the Park and share equally in the cost and contributions toward the Park.

The Village also entered into an agreement with LaGrange Township for the purchase of land for a proposed Village/Township hall. The cost of the property was equally divided with the Village's share being \$145,000.

The actions of the joint ventures have not been included in these financial statements.

Note 15 – Jointly Governed Organizations

As previously stated in Note 1, the Village of LaGrange and LaGrange Township formed the LaGrange Community Improvement Corporation in March 2005 to act as agent for the Village and Township to develop and implement a plan for the subdivision, sale and lease of real estate jointly owned by the Village and the Township. The LaGrange Community Improvement Corporation was formed for the purposes of advancing, encouraging and promoting the light industrial economic, commercial distribution and research activities to provide opportunities for gainful employment and for civil development within the 38.96 acres of the property owned by the Village and Township.

The LaGrange Community Improvement Corporation is comprised of two Village members and two Township members.

Note 16 – Related Party Transaction

The Chariman of the Recreational Park Board is employed by Page Equipment. The Village paid \$300 to Page Equipment during 2010 for maintenance equipment.

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Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of LaGrange
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To Village Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of LaGrange, (Village), Lorain County, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements and have issued our report thereon dated July 5, 2012, wherein we noted the Village followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America. Also, we noted the Village implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village'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 Village's financial statements will not be prevented or detected and timely corrected.

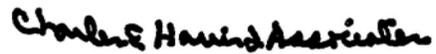
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Village'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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted certain other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated July 5, 2012.

We intend this report solely for the information and use of management, the audit committee, Village Council and others within the Village. We intend it for no one other than these specified parties.



Charles E. Harris and Associates, Inc.

July 5, 2012

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the years ending December 31, 2009 and 2008, reported no material citations or recommendations.

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Dave Yost • Auditor of State

VILLAGE OF LAGRANGE

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
NOVEMBER 29, 2012