



OHIO AUDITOR OF STATE
KEITH FABER



**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2022	5
Notes to the Financial Statements For the Year Ended December 31, 2022	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021	13
Notes to the Financial Statements For the Year Ended December 31, 2021	14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Findings	23
Prepared by Management:	
Summary Schedule of Prior Audit Findings	33

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Kingsville Township
Ashtabula County
5890 Cemetery Road
Kingsville, Ohio 44048

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Kingsville Township, Ashtabula County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

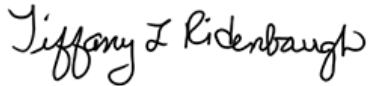
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

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

January 27, 2026

This Page Intentionally Left Blank

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$106,854	\$371,853	\$0	\$478,707
Charges for Services		315,508		315,508
Licenses, Permits and Fees	14,840	2,743		17,583
Intergovernmental	26,319	265,051		291,370
Special Assessments		15,165		15,165
Earnings on Investments	383	9		392
Miscellaneous	3,366	10,236	170,000	183,602
<i>Total Cash Receipts</i>	<u>151,762</u>	<u>980,565</u>	<u>170,000</u>	<u>1,302,327</u>
Cash Disbursements				
Current:				
General Government	120,796	2,082		122,878
Public Safety		341,538		341,538
Public Works	7,524	346,284		353,808
Health		13,162		13,162
Human Services		32		32
Conservation - Recreation	19,225			19,225
Capital Outlay	38,191	4,612	184,365	227,168
Debt Service:				
Principal Retirement		14,730		14,730
Interest and Fiscal Charges		1,421		1,421
<i>Total Cash Disbursements</i>	<u>185,736</u>	<u>723,861</u>	<u>184,365</u>	<u>1,093,962</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(33,974)</u>	<u>256,704</u>	<u>(14,365)</u>	<u>208,365</u>
Other Financing Receipts (Disbursements)				
Advances In		50,000		50,000
Advances Out		(50,000)		(50,000)
Other Financing Sources	9,214			9,214
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,214</u>	<u>0</u>	<u>0</u>	<u>9,214</u>
<i>Net Change in Fund Cash Balances</i>	<u>(24,760)</u>	<u>256,704</u>	<u>(14,365)</u>	<u>217,579</u>
<i>Fund Cash Balances, January 1</i>	<u>218,979</u>	<u>768,086</u>	<u>29,540</u>	<u>1,016,605</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$194,219</u></u>	<u><u>\$1,024,790</u></u>	<u><u>\$15,175</u></u>	<u><u>\$1,234,184</u></u>

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

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Kingsville Township, Ashtabula County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

Public Entity Risk Pool and Related Organization

The Township participates in a public entity risk pool. Note 7 to the financial statements provide 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

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Cemetery Fund This fund receives money from fees for burials and sale of cemetery lots.

Fire/EMS Funds These funds receives property tax money and other revenues to assist in providing fire protection and emergency medical services to Township residents, and for purchasing and maintaining equipment for these services.

Special Assessment-Street Lighting Fund This fund receives money from property owners through special assessments approved by the County Budget Commission.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Capital Project Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant capital projects fund:

Fire Loss Fund This Township received Fire Loss money from OTARMA for losses incurred from a fire that started during construction of the road department building.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2022 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, the Township's appropriations were not certified by the County Auditor resulting in budgetary expenditures exceeded appropriation authority in all funds for the year ended December 31, 2022.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,477	\$160,976	\$48,499
Special Revenue	768,652	1,030,565	261,913
Capital Projects	180,121	170,000	(10,121)
Total	<u>\$1,061,250</u>	<u>\$1,361,541</u>	<u>\$300,291</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$186,251	(\$186,251)
Special Revenue	0	775,279	(775,279)
Capital Projects	0	184,365	(184,365)
Total	<u>\$0</u>	<u>\$1,145,895</u>	<u>(\$1,145,895)</u>

Note 5 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	\$420,659
Other time deposits (savings and NOW accounts)	782,373
Certificate of Deposits	31,152
Total deposits	<u>1,234,184</u>
Total carrying amount of deposits held in the Pool	<u>\$1,234,184</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Note 7 – Risk Management

Workers' Compensation

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

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Automobile liability;
- Vehicles;
- Property;
- Equipment breakdown

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

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional and combined pension plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4 percent.

Note 10 - Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
Northwest Bank - Dump Truck	\$27,113	3.99%
Total	<u>\$27,113</u>	

The Township entered into an agreement with Northwest Bank in 2019 to finance the purchase of a dump truck to assist with Township operations. The interest rate is 3.99% and matures in 2024.

Amortization

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

Year Ending December 31:	Northwest Bank - Dump Truck
2023	\$16,152
2024	12,114
Total	<u>\$28,266</u>

Note 11 – Fund Balances

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

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$515	\$1,418	\$1,933
Total	<u>\$515</u>	<u>\$1,418</u>	<u>\$1,933</u>

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2022, the Township received funding from the American Rescue Plan Act (ARPA). The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$103,881	\$341,986	\$0	\$445,867
Charges for Services		161,727		161,727
Licenses, Permits and Fees	15,447	2,677		18,124
Intergovernmental	26,675	278,615		305,290
Special Assessments		15,323		15,323
Earnings on Investments	805	231		1,036
Miscellaneous	88,592	20,105		108,697
<i>Total Cash Receipts</i>	<u>235,400</u>	<u>820,664</u>	<u>0</u>	<u>1,056,064</u>
Cash Disbursements				
Current:				
General Government	121,666	2,065		123,731
Public Safety		337,177		337,177
Public Works	849	371,115		371,964
Health		28,583		28,583
Human Services		76,667		76,667
Conservation - Recreation	14,447			14,447
Capital Outlay	15,795	36,316	52,999	105,110
Debt Service:				
Principal Retirement		65,277		65,277
Interest and Fiscal Charges		1,878		1,878
<i>Total Cash Disbursements</i>	<u>152,757</u>	<u>919,078</u>	<u>52,999</u>	<u>1,124,834</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>82,643</u>	<u>(98,414)</u>	<u>(52,999)</u>	<u>(68,770)</u>
Other Financing Receipts (Disbursements)				
Other Financing Uses		(2,200)		(2,200)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>(2,200)</u>	<u>0</u>	<u>(2,200)</u>
<i>Net Change in Fund Cash Balances</i>	82,643	(100,614)	(52,999)	(70,970)
<i>Fund Cash Balances, January 1</i>	<u>136,336</u>	<u>868,700</u>	<u>82,539</u>	<u>1,087,575</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$218,979</u></u>	<u><u>\$768,086</u></u>	<u><u>\$29,540</u></u>	<u><u>\$1,016,605</u></u>

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

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Kingsville Township, Ashtabula County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

Public Entity Risk Pool and Related Organization

The Township participates in a public entity risk pool. Note 7 to the financial statements provide 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

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Cemetery Fund This fund receives money from fees for burials and sale of cemetery lots.

Fire/EMS Funds These funds receives property tax money and other revenues to assist in providing fire protection and emergency medical services to Township residents, and for purchasing and maintaining equipment for these services.

Special Assessment-Street Lighting Fund This fund receives money from property owners through special assessments approved by the County Budget Commission.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Capital Project Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant capital projects fund:

Fire Loss Fund This Township received Fire Loss money from OTARMA for losses incurred from a fire that started during construction of the road department building.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Compliance

Contrary to Ohio law, the Township's appropriations were not certified by the County Auditor resulting in budgetary expenditures exceeded appropriation authority in all funds for the year ended December 31, 2021.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 4 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$126,550	\$235,400	\$108,850
Special Revenue	726,968	820,664	93,696
Capital Projects	53,003	0	(53,003)
Total	<u>\$906,521</u>	<u>\$1,056,064</u>	<u>\$149,543</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$180,360	(\$180,360)
Special Revenue	0	927,874	(927,874)
Capital Projects	0	52,999	(52,999)
Total	<u>\$0</u>	<u>\$1,161,233</u>	<u>(\$1,161,233)</u>

Note 5 – Deposits

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts are as follows:

	2021
Cash Management Pool:	
Demand deposits	\$177,137
Other time deposits (savings and NOW accounts)	808,323
Certificate of Deposits	31,145
Total deposits	<u>1,016,605</u>
<i>Total carrying amount of deposits held in the Pool</i>	<u><u>\$1,016,605</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Note 7 – Risk Management

Workers' Compensation

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

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (the Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability;
- Cyber;
- Law enforcement liability;
- Automobile liability;
- Vehicles;
- Property;
- Equipment breakdown

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

	2021
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2021, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional and combined pension plan. For 2021, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4 percent.

Note 10 - Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Northwest Bank - Dump Truck	\$41,843	3.99%
Total	<u>\$41,843</u>	

The Township entered into an agreement with Northwest Bank in 2019 to finance the purchase of a dump truck to assist with Township operations. The interest rate is 3.99% and matures in 2024.

Amortization

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

Year Ending December 31:	Northwest Bank - Dump Truck
2022	\$16,152
2023	16,152
2024	12,114
Total	<u>\$44,418</u>

Kingsville Township
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$27,603	\$6,596	\$34,199
Total	<u>\$27,603</u>	<u>\$6,596</u>	<u>\$34,199</u>

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

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER

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

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

Kingsville Township
Ashtabula County
5890 Cemetery Road
Kingsville, Ohio 44048

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Kingsville Township, Ashtabula County, Ohio (the Township) and have issued our report thereon dated January 27, 2026, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as item 2022-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as item 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-002, 2022-004, and 2022-005.

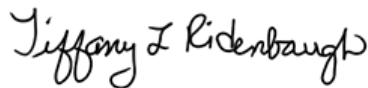
Township's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

January 27, 2026

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

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

FINDING NUMBER – 2022-001

SIGNIFICANT DEFICEINCY – Advances Approval

Advances are intended to temporarily reallocate cash from one fund to another and involve an expectation of repayment. Auditor of State Bulletin 97-003 states that advances must be approved by a formal resolution of the Board, including a specific statement that the transaction is an advance and an indication of the fund from which it is expected the repayment will be made.

Due to a clerical error, the following error was noted.

- For the year ended December 31, 2022, the Township performed an advance transaction of \$50,000 from the Motor Vehicle License Tax Fund to the Road and Bridge Fund; however, Board approval of the advance did not occur. The advance was still outstanding as of December 31, 2024. The Fiscal Officer corrected this amount on March 12, 2025.

Failure to approve advances prior to the advance transaction being recorded in the accounting system could lead to errors in financial reporting.

The Township should establish and implement procedures to verify that the Board approves all advance transactions before they actually occur and are posted to the accounting system.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding and notes the issue was corrected by Resolution 2025-005 on March 12, 2025, with guidance from the Fiscal Officer.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

FINDING NUMBER – 2022-002

NONCOMPLIANCE – Annual Appropriations

Ohio Rev. Code § 5705.38 requires an annual appropriation resolution to be passed on or about the 1st day of the fiscal year. A temporary appropriation resolution may be passed until the final amended certificate is received, but annual appropriations are required to be adopted before April 1st. No expenditure can be made until an appropriation resolution is passed. Ohio Admin Code Section 117-2-02(C)(1) provides that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

Ohio Rev. Code § 5705.39 provides, in part, that no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. When the appropriation does not exceed such official estimate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Appropriations must be reflected in the UAN accounting system as approved by the Board and at the legal level of control (Fund, Program, Object). The approved resolution must be prepared and approved at the same legal level of control and a copy retained in the minutes of the Township Board meetings. Further, an accurate copy must be sent to the County Auditor/Budget Commission.

Due to deficiencies in internal control for the budgetary process the following errors were noted:

- For the year ended December 31, 2022, permanent appropriations were adopted on January 12, 2022, however, no appropriation resolution was filed with the County Budget Commission. For the year ended December 31, 2021, permanent appropriations were not adopted and not filed with the County Budget Commission.

Inaccurate and incomplete entry into the UAN system and filing of required appropriation resolutions could result in elected officials making unauthorized expenditures and does not provide for accurate monitoring of budgetary activity. This could also result in deficit fund balances.

We recommend that temporary and permanent appropriations be adopted in accordance with Ohio Rev. Code § 5705.38, filed with the County Budget Commission, and that the approved appropriations are accurately entered into the accounting system. Officials should be utilizing appropriation resolutions and accounting system reports as a basis for monitoring the Township's budgetary activity.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding and under Fiscal Officers Sharon Huey (January 2022-April 2024) and Michael DeFazio (April 2024-April 2028) resolutions were passed to approve appropriations in subsequent years:

- Resolution 2024-002 – Permanent Appropriations
- Resolution 2025-002 – Temporary Appropriations
- Resolution 2025-006 – Permanent Appropriations
- Resolution 2026-002 – Permanent Appropriations

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

FINDING NUMBER – 2022-003

MATERIAL WEAKNESS – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were noted and corrected by management in the financial statements for the year ended December 31, 2022:

- Special Revenue Fire Levy Fund Property Tax Receipts were overstated by \$85,762 and Special Revenue Road and Bridge Fund Property Tax Receipts were understated by \$85,762 due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Fire and Rescue Services Fund Property Tax Receipts were overstated by \$145,313 and Special Revenue Fire Levy Fund Property Tax Receipts were understated by \$145,313 due to an accounting posting error. This adjustment was identified by management and was corrected on July 18, 2023.
- Special Revenue Motor Vehicle Licenses Tax Fund Intergovernmental Receipts were overstated by \$15,812 and Special Revenue Permissive Motor Vehicle License Tax Fund Property Tax Receipts were understated by \$15,812, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Fire and Rescue Services Fund Charges for Services Receipts were overstated by \$2,166 and Special Revenue Motor Vehicle Licenses Tax Fund Intergovernmental Receipts were understated by \$554 and Special Revenue Permissive Motor Vehicle License Tax Fund Property Tax Receipts were understated by \$1,612, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- General Fund Intergovernmental Receipts were overstated by \$840 and General Fund Property Tax Receipts were understated by \$186 and Special Revenue Cemetery Fund Property Tax Receipts were understated by \$29, Special Revenue Road and Bridge Fund Property Tax Receipts were understated by \$358 and Special Revenue Fire Levy Fund Property Tax Receipts were understated by \$267, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Ambulance and Emergency Medical Services Fund Miscellaneous Receipts were overstated by \$16,169 and Special Revenue Fire and Rescue Services Fund Intergovernmental Receipts were understated by \$16,169, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$356 and Special Revenue American Rescue Plan Act Fund Intergovernmental Receipts were understated by \$356, due to an accounting posting error. This adjustment was corrected on December 31, 2025.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$14,820 and General Fund Intergovernmental Receipts were understated by \$7,805, Special Revenue Cemetery Fund Intergovernmental Receipts were understated by \$311, Special Revenue Road and Bridge Fund Intergovernmental Receipts were understated by \$3,859, and Special Revenue Fire Levy Fund Intergovernmental Receipts were understated by \$2,845, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$14,901 and General Fund Intergovernmental Receipts were understated by \$7,812, Special Revenue Cemetery Fund Intergovernmental Receipts were understated by \$314, Special Revenue Road and Bridge Fund Intergovernmental Receipts were understated by \$3,900, and Special Revenue Fire Levy Fund Intergovernmental Receipts were understated by \$2,875, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$32 and General Fund Intergovernmental Receipts were understated by \$32, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$308 and General Fund Intergovernmental Receipts were understated by \$308, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Road and Bridge Fund Public Work Disbursements were overstated by \$374 and General Fund General Government Disbursements were understated by \$374. These disbursements related to the Fiscal Officer's Office phone payment. This adjustment was corrected on December 31, 2025.
- Capital Projects Miscellaneous Capital Projects Fund Public Works Disbursements were overstated by \$180,117 and Capital Projects Miscellaneous Capital Projects Fund Capital Outlay Disbursements were understated by \$180,117. The disbursements were related to the Fox Road Project with OPWC.
- General Fund General Government Disbursements were overstated by \$36,679 and General Fund Capital Outlay Disbursements were understated by \$36,679. The disbursements related to a John Deere Mower purchase.
- Special Revenue Fire Levy Fund Public Safety Disbursements were overstated by \$1,346, Special Revenue Ambulance and Emergency Medical Services Fund Public Safety Disbursements were overstated by \$4,038, Special Revenue Ambulance and Emergency Medical Services Fund Capital Outlay Disbursements were overstated by \$10,767, and Special Revenue Road and Bridge Fund Principal and Interest Disbursements were understated by \$14,730 and \$1,421, respectively, due to accounting posting errors related to debt payments. This adjustment was corrected on December 31, 2025.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

The following errors were noted and corrected by management in the financial statements for the year ended December 31, 2021:

- General Fund Property Tax Receipts were overstated by \$6,860 and Special Revenue Cemetery Fund Property Tax Receipts were understated by \$39, Special Revenue Road and Bridge Fund Property Tax Receipts were understated by \$388, Special Revenue Fire Levy Fund Property Tax Receipts were understated by \$362, and Special Revenue Street Lighting Special Assessment Receipts were understated by \$6,071, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Motor Vehicle Licenses Tax Fund Intergovernmental Receipts were overstated by \$5,925 and Special Revenue Permissive Motor Vehicle License Tax Fund Property Tax Receipts were understated by \$5,925, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Fire Levy Fund Miscellaneous Receipts were overstated by \$12,769 and Special Revenue Fire and Rescue Services Fund Intergovernmental Receipts were understated by \$12,769, due to an accounting posting error.
- General Fund Intergovernmental Receipts were overstated by \$629 and General Fund Payments in Lieu of Taxes Receipts were understated by \$629, due to an accounting posting error.
- Special Revenue Ambulance and Emergency Medical Services Fund Charges for Services Receipts were overstated by \$47,753 and General Fund Intergovernmental Receipts were understated by \$16,809, Special Revenue Cemetery Fund Intergovernmental Receipts were understated by \$663, Special Revenue Road and Bridge Fund Intergovernmental Receipts were understated by \$24,208, and Special Revenue Fire and Rescue Services Fund Intergovernmental Receipts were understated by \$6,073, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- General Fund Miscellaneous Receipts were overstated by \$138 and General Fund Property Tax Receipts were understated by \$138, due to an accounting posting error.
- Special Revenue Road and Bridge Fund Property Tax Receipts were overstated by \$918 and General Fund Intergovernmental Receipts were understated by \$918, due to an accounting posting error. This adjustment was corrected on December 31, 2025.
- Special Revenue Fire Levy Fund Capital Outlay Disbursements were overstated by \$58,400, Special Revenue Fire Levy Fund Other Financing Uses Disbursements were overstated by \$25,000 and Special Revenue Fire Levy Fund Public Safety Disbursements were understated by \$83,400. These disbursements related to supplies, masks, and disinfectant.
- Special Revenue Fire Levy Fund Public Safety Disbursements were overstated by \$5,906, Special Revenue Fire Levy Fund Capital Outlay Disbursements were overstated by \$16,599, Special Revenue Ambulance and Emergency Medical Services Fund Capital Outlay Disbursements were overstated by \$14,844, Special Revenue Ambulance and Emergency Medical Services Fund Other Financing Uses Disbursements were overstated by \$15,000, and Special Revenue Fire and Levy Fund Principal and Interest Disbursements were understated by \$51,000 and \$1,349, respectively, due to accounting posting errors related to debt payments. This adjustment was corrected on December 31, 2025.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

- Special Revenue Road and Bridge Fund Capital Outlay Disbursements were overstated by \$1,346, Special Revenue Gasoline Tax Fund Capital Outlay Disbursements were overstated by \$2,692, Special Revenue Fire Levy Fund Safety Disbursements were overstated by \$10,768, and Special Revenue Road and Bridge Fund Principal and Interest Disbursements were understated by \$14,277 and \$529, respectively, due to accounting posting errors related to debt payments. This adjustment was corrected on December 31, 2025.

The following errors were noted in the prior audit; however, they were never entered into the accounting system. These items were corrected by management in the financial statements for the years ended December 31, 2022 and 2021:

- General Fund December 31, 2020 balance was overstated by \$14,481.
- Special Revenue Motor Vehicle License Tax Fund December 31, 2020 balance was overstated by \$72,047.
- Special Revenue Road and Bridge Fund December 31, 2020 balance was understated by \$162,209.
- Special Revenue Cemetery Fund December 31, 2020 balance was understated by \$5,084.
- Special Revenue Fire Levy Fund December 31, 2020 was understated by \$41,223.
- Special Revenue Ambulance and EMS Services Fund December 31, 2020 balance was understated by \$121,988.

The failure to accurately record receipts and disbursements in the proper amounts can result in misstatements to the financial statements.

We recommend the Township review the unaudited financial statements and UAN handbook to ensure the financial statements are fairly presented.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding, and the Fiscal Officer has made the necessary adjustments in the 2026 fiscal year budget.

FINDING NUMBER – 2022-004

NONCOMPLIANCE – 5705.41(B) Expenditures Exceeding Appropriations

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Although the Township passed a motion on January 1, 2021, approving temporary appropriations, the formal minute record did not include figures or other indication of amounts appropriated for the year ended December 31, 2021. The Township did not pass permanent appropriations for the year ended December 31, 2021. Additionally, the annual permanent appropriations of 2022 were not filed with the Ashtabula County Auditor, which would have allowed the County Auditor to file with the Township a certificate that the total appropriations do not exceed such official estimate or amended official certificate.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

As such, and in accordance with Ohio Rev. Code § 5705.39, no appropriations were effective for the years ended December 31, 2022 and 2021.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Township's expenditures exceeded appropriations for all funds for the fiscal years ended December 31, 2022 and 2021.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Trustees should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding and that it is a consequence of permanent appropriations not being filed as outlined in Finding 2022-002 which has been subsequently addressed.

FINDING NUMBER – 2022-005

NONCOMPLIANCE – Bond Requirements

Ohio Rev. Code § 507.03(G) states, in part, except as otherwise provided in section 3.061 of the Revised Code, states the Township Fiscal Officer, before entering upon the discharge of official duties, shall give a bond, payable to the Board of Township Trustees, with sureties approved by the Board, in the sum determined by the board but not less than the sum provided in this section, and conditioned for the faithful performance of the duties of the office of Township Fiscal Officer. This bond shall be recorded by the Township Fiscal Officer, filed with the County Treasurer, and carefully preserved. Ohio Rev. Code § 507.03(G) requires the minimum sum of the Township's Fiscal Officer's bond for a Township with a budget of more than one million five hundred thousand dollars but not more than three million five hundred thousand, one hundred sixty thousand dollars.

Due to deficiencies in the Township's internal controls over compliance, Michelle Cleveland, former Fiscal Officer, was not bonded during their time in office from September 2021 through November 2021.

Failure to secure adequate coverage could subject the Township to a loss of funds in the event a claim against the faithful performance of duty coverage is made.

The Township should ensure it has adequate surety bond or faithful performance coverage over the fiscal officer as required by the Ohio Revised Code. In addition, the Township should approve a policy by trustee resolution allowing for the use of employee dishonesty and faithful performance coverage in place of a surety bond, if applicable.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding and in the intervening years have moved from individual surety bonds to a faithful performance of duty insurance under our provider, OTARMA. This was formalized with Resolution 2025-019 and became effective retroactively to the time fees began to be paid on the coverage.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

2. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS Compliance and Controls report.

Severance Payroll Issue – Finding for Recovery Repaid Under Audit

When administering the Township's operations over payroll, it is the responsibility of management to provide reasonable assurance that the Township's payroll internal control structure is in place and operating as designed. The payroll internal control structure is designed to ensure the information reported to management, the Board of Trustees, and outside users is accurate and complete. For management to ensure and verify this information, supporting documentation should be maintained for all amounts reported and the documentation (including the evidencing of controls) should contain all pertinent information relating to the payroll and be readily accessible for review and/or reference.

Having policies in place to govern earning and usage of leave, leave payouts, and otherwise account for leave activities, is a pertinent control for ensuring that employees' time is authorized, properly paid, and accurately accounted for.

Board Policy Section 5.4 Sick Leave Conversion states at the time of retirement from active service with the Township, an employee with ten (10) or more years of service with any political subdivision of the State of Ohio may choose to be paid in cash for one-fourth (1/4) the value of his/her earned but unused sick leave credit. At the time of retirement, the employee may choose to be paid out in cash for one-fourth their value or his/her earned unused sick leave. The maximum payment may not exceed two hundred forty (240) hours, or thirty (30) days.

The following payroll error was noted for the fiscal year ended December 31, 2021:

The Township incorrectly calculated a severance payout to Scott Burdine, Road Department Worker and Cemetery Sexton, resulting in a \$632.06 overpayment. The error was due to the Township paying out 100% of his unused sick leave instead of 25%.

Under Ohio Law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010). The Fiscal Officer and her subordinates collect and receive public monies for the Township.

In accordance with the above facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued jointly and severely against Scott Burdine and Michelle Cleveland, Former Fiscal Officer, in the amount of \$632.06 and in favor of the Road and Bridge fund.

The amount was paid back on January 30, 2026. This finding is considered repaid under audit.

Failure to properly calculate severance payments can result in over/under payments for employees and findings for recovery.

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(CONTINUED)**

The Township should implement procedures to ensure severance payouts are recalculated to ensure the proper rate and hours are used within the calculations.

Officials' Response: The Kingsville Township Board of Trustees acknowledges this finding and worked with the Auditor of State to recover the overpayment. Scott Burdine, the former employee, repaid the Township \$632.06 by money order on January 30, 2026 to rectify the discrepancy.

This Page Intentionally Left Blank

**KINGSVILLE TOWNSHIP
ASHTABULA COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Budgetary Controls	Not Corrected	Repeated as Finding 2022-002
2020-002	Financial Reporting	Not Corrected	Repeated as Finding 2022-003
2020-003	Late Fees, Interest, and Penalties	Partially Corrected	Repeated in Management Letter

OHIO AUDITOR OF STATE KEITH FABER



KINGSVILLE TOWNSHIP

ASHTABULA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/12/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov