



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SAYBROOK TOWNSHIP  
ASHTABULA COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Saybrook Township  
Ashtabula County  
7247 Center Road  
Ashtabula, Ohio 44004

To the Board of Trustees:

### Report on the Audit of the Financial Statements

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

We have audited the financial statements of Saybrook Township, Ashtabula County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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 the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- 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 July 29, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 29, 2024

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**SAYBROOK TOWNSHIP  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$273,064	\$2,893,518	\$0	\$0	\$3,166,582
Charges for Services		308,884			308,884
Licenses, Permits and Fees	12,998	250			13,248
Intergovernmental	75,951	450,371			526,322
Special Assessments		93,718			93,718
Earnings on Investments	129,295	17,944			147,239
Miscellaneous	12,582	103,028			115,610
<i>Total Cash Receipts</i>	<u>503,890</u>	<u>3,867,713</u>	<u>0</u>	<u>0</u>	<u>4,371,603</u>
<b>Cash Disbursements</b>					
Current:					
General Government	323,679				323,679
Public Safety		3,478,434			3,478,434
Public Works		1,680,489			1,680,489
Health		32,868			32,868
Human Services		591			591
Debt Service:					
Principal Retirement		294,045			294,045
Interest and Fiscal Charges		134,778			134,778
<i>Total Cash Disbursements</i>	<u>323,679</u>	<u>5,621,205</u>	<u>0</u>	<u>0</u>	<u>5,944,884</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>180,211</u>	<u>(1,753,492)</u>	<u>0</u>	<u>0</u>	<u>(1,573,281)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Loans Issued		190,000			190,000
Sale of Capital Assets		60,000			60,000
Transfers In		100,000			100,000
Transfers Out	(100,000)				(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>250,000</u>
<i>Net Change in Fund Cash Balances</i>	80,211	(1,403,492)	0	0	(1,323,281)
<i>Fund Cash Balances, January 1</i>	<u>376,806</u>	<u>3,713,377</u>	<u>195</u>	<u>150</u>	<u>4,090,528</u>
<i>Fund Cash Balances, December 31</i>	<u>\$457,017</u>	<u>\$2,309,885</u>	<u>\$195</u>	<u>\$150</u>	<u>\$2,767,247</u>

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

SAYBROOK TOWNSHIP  
ASHTABULA COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Fiduciary Fund Type</u>
<b>Additions</b>	
Other Amounts Collected for Distribution	\$0
<i>Total Additions</i>	<u>0</u>
<b>Deductions</b>	
Other Distributions	30,340
<i>Total Deductions</i>	<u>30,340</u>
<i>Net Change in Fund Cash Balance</i>	(30,340)
<i>Fund Cash Balance, January 1</i>	<u>30,340</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$0</u></u>

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

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Saybrook 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.

***Jointly Governed Organizations and Public Entity Risk Pool***

The Township participates in a public entity risk pool and in Jointly Governed organizations. Notes 6 and 11 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for its fiduciary fund type which are 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.

***Fire District Tax Fund*** This fund receives property tax money to provide fire protection and emergency medical services to the Township.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Fiduciary Funds*** - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the Township are identified on the combined statement of additions, deductions and changes in fund balance (regulatory cash basis) the fiduciary fund type. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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Custodial Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following custodial fund:

**Fire Loss Claims Fund** This fund holds insurance proceeds as a security against the cost of removing, repairing or securing damaged property.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

A summary of 2023 budgetary activity appears in Note 3.

***Deposits and Investments***

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

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

***Capital Assets***

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

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**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.

**Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$5,572 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

**Fund Balance**

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

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

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

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 3 – Budgetary Activity**

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$466,000	\$503,890	\$37,890
Special Revenue	4,258,554	4,217,713	(40,841)
<b>Total</b>	<b>\$4,724,554</b>	<b>\$4,721,603</b>	<b>(\$2,951)</b>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,675	\$423,679	\$76,996
Special Revenue	6,427,401	5,621,205	806,196
<b>Total</b>	<b>\$6,928,076</b>	<b>\$6,044,884</b>	<b>\$883,192</b>

**Note 4 – Deposits and Investments**

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

	2023
<b>Cash Management Pool:</b>	
Demand deposits	\$260,701
Total deposits	260,701
STAR Ohio	2,506,546
Total investments	2,506,546
<b>Total deposits and investments</b>	<b>\$2,767,247</b>

**Deposits**

Deposits are insured by the Federal Depository 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.

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Investments**

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

**Note 5 – Property Taxes**

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

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

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

**Note 6 – Risk Management**

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township' policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. 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>2023</u>
Cash and investments	\$33,494,457
Actuarial liabilities	\$10,885,549

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 Local 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, 2023.

***Ohio Police and Fire Retirement System***

Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2023.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Plow Truck Note	\$48,000	1.90%
Fire Truck Note	440,362	2.20%
Squad Truck Note	180,000	2.45%
Fire Department Station Note	2,850,000	3.95%
Tractor Note	190,000	4.95%
Total	<u>\$3,708,362</u>	

In December 2020, the Township issued a promissory note in the amount of \$120,000 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a Road Department Truck with plow.



**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

In July 2020, the Township issued a promissory note in the amount of \$550,452 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a fire truck.

In April 2022, the Township issued a promissory note in the amount of \$225,000 pursuant to the authority in Section 5549.12 (A) Ohio Revised Code to finance an ambulance/squad truck.

In May 2022, the Township issued Firehouse Construction Bonds Series 2022 in the amount of \$3,000,000. The bonds bear interest at a rate of 3.95 percent over a period of twenty years. The bonds were issued to pay the cost of construction of a new fire station. The bond is collateralized by the property and will be paid with property tax revenue.

In July 2023, the Township issued a promissory note in the amount of \$190,000 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a Road Department tractor with mower.

**Amortization**

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

Year Ending December 31:	Plow Truck Note	Fire Truck Note	Squad Truck Note	Fire Department Station Note	Tractor Note
2024	\$24,912	\$64,733	\$49,410	\$262,575	\$36,208
2025	24,456	63,522	48,308	256,650	35,204
2026	0	62,311	47,205	250,725	33,861
2027	0	61,100	46,102	244,800	32,517
2028	0	59,889	0	238,875	31,174
2029-2033	0	172,402	0	1,105,500	58,316
2034-2038	0	0	0	957,375	0
2039-2042	0	0	0	659,250	0
Total	<u>\$49,368</u>	<u>\$483,957</u>	<u>\$191,025</u>	<u>\$3,975,750</u>	<u>\$227,280</u>

**Note 10 – Related Party Transactions**

A Township Trustee is employed part time by Brobst Tree Service which is owned by the Trustee's son. During 2023, the Township paid \$6,986 to the company.

**Note 11 – Jointly Governed Organizations**

**Joint Economic Development Districts (JEDD)**

The City of Ashtabula and Saybrook Township have formed two Joint Economic Development Districts. The City of Ashtabula and Saybrook Township JEDD and the City of Ashtabula and Saybrook Township State Route 20 JEDD which were both formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. The Districts were formed in 2013 and 2014, respectively, for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the county, the Township, the City, that the JEDD served. The JEDD's are administered by a Board of locally appointed officials and local business leaders.

**Saybrook Township**  
*Ashtabula County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Northeast Ohio Public Energy Council (NOPEC)**

The Township is a member of the Northeast Ohio Public Energy Council (“NOPEC”), a jointly governed organization. NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and/or natural gas on behalf of their citizens. The intent of NOPEC is provide electricity and/or natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and/or natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each County then elect one person to serve on the eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by a participating government is limited to its representation in the General Assembly and on the Board of Director. The Township did not contribute to NOPEC in 2023. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

**Note 12 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of the unexpendable corpus of the permanent fund.

Fund Balances	Permanent	Total
Nonspendable:		
Corpus	\$150	\$150
Total	\$150	\$150

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2023, the Township did receive 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 funding, either federal or state, cannot be estimated.

**SAYBROOK TOWNSHIP  
ASHTABULA COUNTY**

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

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$262,642	\$2,807,511	\$0	\$0	\$3,070,153
Charges for Services		325,799			325,799
Licenses, Permits and Fees	7,739	150			7,889
Intergovernmental	71,000	711,630			782,630
Special Assessments		90,716			90,716
Earnings on Investments	76,027	3,398			79,425
Miscellaneous	8,744	84,614			93,358
<i>Total Cash Receipts</i>	<u>426,152</u>	<u>4,023,818</u>	<u>0</u>	<u>0</u>	<u>4,449,970</u>
<b>Cash Disbursements</b>					
Current:					
General Government	323,513				323,513
Public Safety		4,112,367			4,112,367
Public Works		1,017,726			1,017,726
Health		11,720			11,720
Human Services		261			261
Debt Service:					
Principal Retirement		125,045			125,045
Interest and Fiscal Charges		14,850			14,850
<i>Total Cash Disbursements</i>	<u>323,513</u>	<u>5,281,969</u>	<u>0</u>	<u>0</u>	<u>5,605,482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>102,639</u>	<u>(1,258,151)</u>	<u>0</u>	<u>0</u>	<u>(1,155,512)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Loans Issued	0	3,225,000			3,225,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>3,225,000</u>	<u>0</u>	<u>0</u>	<u>3,225,000</u>
<i>Net Change in Fund Cash Balances</i>	102,639	1,966,849	0	0	2,069,488
<i>Fund Cash Balances, January 1</i>	<u>274,167</u>	<u>1,746,528</u>	<u>195</u>	<u>150</u>	<u>2,021,040</u>
<i>Fund Cash Balances, December 31</i>	<u>\$376,806</u>	<u>\$3,713,377</u>	<u>\$195</u>	<u>\$150</u>	<u>\$4,090,528</u>

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

SAYBROOK TOWNSHIP  
ASHTABULA COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Fiduciary Fund Type</u>
<b>Additions</b>	
Other Amounts Collected for Distribution	<u>\$30,340</u>
<i>Total Additions</i>	30,340
<b>Deductions</b>	
Other Distributions	<u>0</u>
<i>Total Deductions</i>	0
<i>Net Change in Fund Cash Balance</i>	30,340
<i>Fund Cash Balance, January 1</i>	<u>0</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$30,340</u></u>

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

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

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Saybrook 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.

***Jointly Governed Organizations and Public Entity Risk Pool***

The Township participates in a public entity risk pool and in Jointly Governed organizations. Notes 6 and 11 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balance (regulatory cash basis) for its fiduciary fund type which are 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.

***Fire District Tax Fund*** This fund receives property tax money to provide fire protection and emergency medical services to the Township.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Fiduciary Funds*** - Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the Township are identified on the combined statement of additions, deductions and changes in fund balance (regulatory cash basis) the fiduciary fund type. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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

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Custodial Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following custodial fund:

**Fire Loss Claims Fund** This fund holds insurance proceeds as a security against the cost of removing, repairing or securing damaged property.

***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 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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

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

***Capital Assets***

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

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

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**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.

**Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2022, distributions of \$1,399 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

**Fund Balance**

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

**Nonspendable** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

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

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

**Note 3 – 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	\$320,000	\$426,152	\$106,152
Special Revenue	7,330,000	7,248,818	(81,182)
Total	\$7,650,000	\$7,674,970	\$24,970

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$500,000	\$323,513	\$176,487
Special Revenue	7,975,000	5,281,969	2,693,031
Total	\$8,475,000	\$5,605,482	\$2,869,518

**Note 4 – Deposits and Investments**

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

	2022
<b>Cash Management Pool:</b>	
Demand deposits	\$510,959
Total deposits	510,959
STAR Ohio	3,609,909
Total investments	3,609,909
Total deposits and investments	\$4,120,868

**Deposits**

Deposits are insured by the Federal Depository 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.



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

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**Investments**

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

**Note 5 – Property Taxes**

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

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

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

**Note 6 – Risk Management**

**Risk Pool Membership**

The Township is a member of the Ohio Township Association Risk Management Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Township' policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. 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

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

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 Local 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.

***Ohio Police and Fire Retirement System***

Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2022.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer 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. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2022, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Dump Truck Note	\$20,000	2.50%
Plow Truck Note	\$72,000	1.90%
Fire Truck Note	495,407	2.20%
Squad Truck Note	225,000	2.45%
Fire Department Station Note	3,000,000	3.95%
Total	<u>\$3,812,407</u>	

In October 2019, the Township issued a promissory note in the amount of \$80,000 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a Road Department Truck with plow.

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

In December 2020, the Township issued a promissory note in the amount of \$120,000 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a Road Department Truck with plow.

In July 2020, the Township issued a promissory note in the amount of \$550,452 pursuant to the authority in Section 5549.021 (A) Ohio Revised Code to finance a fire truck.

In April 2022, the Township issued a promissory note in the amount of \$225,000 pursuant to the authority in Section 5549.12 (A) Ohio Revised Code to finance an ambulance/squad truck.

In May 2022, the Township issued Firehouse Construction Bonds Series 2022 in the amount of \$3,000,000. The bonds bear interest at a rate of 3.95 percent over a period of twenty years. The bonds were issued to pay the cost of construction of a new fire station. The bond is collateralized by the property and will be paid with property tax revenue.

**Amortization**

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

Year Ending December 31:	Dump Truck Note	Plow Truck Note	Fire Truck Note	Squad Truck Note	Fire Department Station Note
2023	\$20,500	\$25,368	\$65,944	\$50,513	\$268,500
2024	0	24,912	64,733	49,410	262,575
2025	0	24,456	63,522	48,308	256,650
2026	0	0	62,311	47,205	250,725
2027	0	0	61,100	46,102	244,800
2028-2032	0	0	232,290	0	1,135,125
2033-2037	0	0	0	0	987,000
2038-2042	0	0	0	0	838,875
Total	<u>\$20,500</u>	<u>\$74,736</u>	<u>\$549,900</u>	<u>\$241,538</u>	<u>\$4,244,250</u>

**Note 10 – Related Party Transactions**

A Township Trustee is employed part time by Brobst Tree Service which is owned by the Trustee's son. During 2022, the Township paid \$8,215 to the company.

**Note 11 – Jointly Governed Organizations**

**Joint Economic Development Districts (JEDD)**

The City of Ashtabula and Saybrook Township have formed two Joint Economic Development Districts. The City of Ashtabula and Saybrook Township JEDD and the City of Ashtabula and Saybrook Township State Route 20 JEDD which were both formed under Chapter 715.72 through 715.83 of the Ohio Revised Code. The Districts were formed in 2013 and 2014, respectively, for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, the county, the Township, the City, that the JEDD served. The JEDD's are administered by a Board of locally appointed officials and local business leaders.

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

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**Northeast Ohio Public Energy Council (NOPEC)**

The Township is a member of the Northeast Ohio Public Energy Council (“NOPEC”), a jointly governed organization. NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and/or natural gas on behalf of their citizens. The intent of NOPEC is provide electricity and/or natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and/or natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each County then elect one person to serve on the eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by a participating government is limited to its representation in the General Assembly and on the Board of Director. The Township did not contribute to NOPEC in 2022. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

**Note 12 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of the unexpendable corpus of the permanent fund.

Fund Balances	Permanent	Total
Nonspendable:		
Corpus	\$150	\$150
Total	\$150	\$150

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township did receive 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 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

Saybrook Township  
Ashtabula County  
7247 Center Road  
Ashtabula, Ohio 44004

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Saybrook Township, Ashtabula County, (the Township) and have issued our report thereon dated July 29, 2024, 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.

*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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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  
Auditor of State  
Columbus, Ohio

July 29, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**SAYBROOK 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 8/15/2024**

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](http://www.ohioauditor.gov)