

HOWLAND TOWNSHIP

TRUMBULL COUNTY

Regular Audit

For the Years Ended December 31, 2022 and 2021





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Board of Trustees
Howland Township
205 Niles Cortland Road NE
Warren, OH 44484

We have reviewed the *Independent Auditor's Report* of the Howland Township, Trumbull County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 14, 2023

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Howland Township
Trumbull County
For the Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Howland Township
Trumbull County
205 Niles Cortland Road NE
Warren, OH 44484

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Howland Township, Trumbull County, Ohio (the Township), which comprise the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type 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 and the fiduciary fund type 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 year 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.

Emphasis of Matter

As discussed in Note 12 to the 2021 and 2022 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinions regarding this matter.

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 May 16, 2023, 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.



Charles E. Harris & Associates, Inc.
May 16, 2023

Howland Township
Trumbull 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 693,845	\$ 6,040,084	\$ -	\$ 6,733,929
Charges for Services	-	119,168	-	119,168
Licenses, Permits and Fees	470,738	813,285	-	1,284,023
Fines and Forfeitures	8,196	464	-	8,660
Intergovernmental	332,059	2,028,610	175,484	2,536,153
Special Assessments	12,300	-	-	12,300
Earnings on Investments	87,641	7,466	-	95,107
Miscellaneous	117,440	106,645	-	224,085
<i>Total Cash Receipts</i>	1,722,219	9,115,722	175,484	11,013,425
Cash Disbursements				
Current:				
General Government	1,102,513	108,527	14,958	1,225,998
Public Safety	96,906	5,830,121	-	5,927,027
Public Works	80,959	1,644,935	-	1,725,894
Health	69,108	24,973	-	94,081
Capital Outlay	8,267	378,592	164,334	551,193
Debt Service:				
Principal Retirement	4,608	118,742	-	123,350
Interest & Fiscal Charges	-	10,344	-	10,344
<i>Total Cash Disbursements</i>	1,362,361	8,116,234	179,292	9,657,887
<i>Excess of Receipts Over (Under) Disbursements</i>	359,858	999,488	(3,808)	1,355,538
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	22,800	41,238	-	64,038
Transfers In	14,127	150,131	-	164,258
Transfers Out	(148,207)	(1,924)	(14,127)	(164,258)
Advances In	50,000	50,000	-	100,000
Advances Out	(50,000)	(50,000)	-	(100,000)
Other Financing Uses	(12)	-	-	(12)
<i>Total Other Financing Receipts (Disbursements)</i>	(111,292)	189,445	(14,127)	64,026
Extraordinary Item	50	-	-	50
<i>Net Change in Fund Cash Balances</i>	248,616	1,188,933	(17,935)	1,419,614
<i>Fund Cash Balances, January 1</i>	751,931	3,385,949	17,935	4,155,815
<i>Fund Cash Balances, December 31</i>	\$ 1,000,547	\$ 4,574,882	\$ -	\$ 5,575,429

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

Howland Township
Trumbull County
Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Custodial Other Custodial
Additions	
Other Amounts Collected for Distribution	\$ 55,205
<i>Total Additions</i>	55,205
<i>Net Change in Fund Cash Balance</i>	55,205
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ 55,205

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

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 1 - REPORTING ENTITY

Howland Township, Trumbull County, Ohio (the “Township”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees.

The Township provides the following services: police and fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services.

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

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members’ deductible. This organization is discussed in Note 9.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 balances (regulatory cash basis) for the fiduciary fund type, which are organized on a fund type basis.

B. Fund Accounting

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

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

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:

Police District - This fund accounts for revenues collected for police operations.

Fire District - This fund accounts for revenues collected for fire operations.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital projects fund:

Mosquito Creek Floodplain - Maffitt Acquisition - This fund accounts for grant receipts from the State restricted for use on acquisition and construction of land at the Mosquito Creek Floodplain.

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.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for fire loss and demolition receipts and expenditures.

C. 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.

D. 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, department and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

A summary of current year budgetary activity appears in Note 4.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. 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.

During 2022, the Township invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Township measures its investment in STAR Ohio 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.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability in the accompanying financial statements.

I. Long-term Obligations

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

J. Leases

The Township is the lessee in various leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

K. Fund Balance

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

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 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 only used to report a deficit fund 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 - 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. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2022</u>
Deposits	
Demand Deposits	\$ 589,637
Investments:	
STAR Ohio	<u>5,040,997</u>
Total	<u><u>\$5,630,634</u></u>

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS – (Continued)

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding no unremitted employee payroll withholdings.

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

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

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	\$ 1,326,745	\$ 1,809,196	\$ 482,451
Special Revenue	8,816,745	9,357,091	540,346
Capital Projects	175,484	175,484	-

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,846,888	\$ 1,568,094	\$ 278,794
Special Revenue	10,596,366	8,568,122	2,028,244
Capital Projects	193,419	193,419	-

NOTE 5 - PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of 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.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 6 - DEBT OBLIGATIONS

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>
OPWC Loans	
Culvert Replacement	\$ 52,991
Road Resurfacing	217,800
Total OPWC Loans	270,791
Financed Purchase	449,063
Total	\$719,854

The Township has entered into two debt financing arrangements with the Ohio Public Works Commission (OPWC) to fund culvert replacement and road resurfacing projects. The culvert replacement loan was issued in 2013 for \$92,159 and is a 20-year, interest free loan with a final maturity in 2034. Principal payments were paid from the general fund in 2022. The road resurfacing loan was issued in the amount of \$311,142. The interest free loan is to be repaid over a 10-year period, beginning in 2020 and maturing in 2029. Principal payments were paid from the road and bridge fund in 2022.

The Township has entered into a financed purchase agreement for vehicles where ownership of the underlying assets transfers to the Township by the end of the contract. The Township disbursed \$87,629 in principal and \$10,343 in interest and fiscal charges to pay this cost for the fiscal year ended December 31, 2022.

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

Year Ending December 31:	OPWC Loans	Financed Purchase
2023	\$ 35,722	\$ 97,972
2024	35,722	97,972
2025	35,721	97,972
2026	35,722	97,972
2027	35,722	97,972
2028 - 2032	85,270	-
2033 - 2034	6,912	-
Total	\$270,791	\$489,860

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Township employees, other than full-time police officers and fire fighters, 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.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 7 - DEFINED BENEFIT PENSION PLANS – (Continued)

The Ohio Revised Code also prescribes contribution rates. The contribution rates for 2022 are summarized in the following table:

<i>Retirement Rates</i>		<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>		<i>2012-2022</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Public Safety</i>		<i>2014-2022</i>	<i>12%</i>	<i>18.1%</i>
<i>OPERS – Law Enforcement</i>		<i>2014-2022</i>	<i>13%</i>	<i>18.1%</i>

The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Pension Fund

The Township’s certified Fire Fighters and full-time Police Officers 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 postemployment 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 19.5% of full-time police members’ wages and 24% of full-time fire fighters’ wages, respectively.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>July 1, 2014- June 30, 2015</i>	<i>11.50%</i>	<i>19.50%</i>
<i>OP&F- full time police</i>	<i>July 1, 2015- December 31, 2022</i>	<i>12.25%</i>	<i>19.50%</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2014- June 30, 2015</i>	<i>11.50%</i>	<i>24.00%</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2015- December 31, 2022</i>	<i>12.25%</i>	<i>24.00%</i>

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, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 8 - POSTEMPLOYMENT BENEFITS – (Continued)

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

NOTE 9 - RISK MANAGEMENT

Risk Pool Membership

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

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

OTARMA reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021 (the latest information available):

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

NOTE 10 - CONTINGENT LIABILITIES

The Township is not party to any pending litigation that, in the opinion of management, will materially adversely affect the Township’s financial condition.

NOTE 11 - FUND BALANCES

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	\$7,514	\$399,964	\$ 407,478

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 11 - FUND BALANCES – (Continued)

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 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 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.

Howland Township
Trumbull 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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts				
Property and Other Local Taxes	\$ 600,823	\$ 5,956,630	\$ -	\$ 6,557,453
Charges for Services	-	116,267	-	116,267
Licenses, Permits and Fees	407,718	851,214	-	1,258,932
Fines and Forfeitures	4,614	1,412	-	6,026
Intergovernmental	322,251	1,892,113	365,532	2,579,896
Special Assessments	3,956	-	-	3,956
Earnings on Investments	2,718	233	-	2,951
Miscellaneous	120,610	68,960	-	189,570
<i>Total Cash Receipts</i>	1,462,690	8,886,829	365,532	10,715,051
Cash Disbursements				
Current:				
General Government	1,017,006	9,369	78,897	1,105,272
Public Safety	98,238	5,400,036	-	5,498,274
Public Works	80,846	2,258,679	318,053	2,657,578
Health	67,847	48,031	-	115,878
Debt Service:				
Principal Retirement	4,608	109,268	-	113,876
Interest & Fiscal Charges	-	18,255	-	18,255
<i>Total Cash Disbursements</i>	1,268,545	7,843,638	396,950	9,509,133
<i>Excess of Receipts Over (Under) Disbursements</i>	194,145	1,043,191	(31,418)	1,205,918
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	-	44,647	-	44,647
Transfers In	-	108,667	-	108,667
Transfers Out	(108,667)	-	-	(108,667)
Other Financing Uses	(13)	-	-	(13)
<i>Total Other Financing Receipts (Disbursements)</i>	(108,680)	153,314	-	44,634
<i>Net Change in Fund Cash Balances</i>	85,465	1,196,505	(31,418)	1,250,552
<i>Fund Cash Balances, January 1, Restated</i>	666,466	2,189,444	49,353	2,905,263
<i>Fund Cash Balances, December 31</i>	<u>\$ 751,931</u>	<u>\$ 3,385,949</u>	<u>\$ 17,935</u>	<u>\$ 4,155,815</u>

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

Howland Township
Trumbull County
Statement of Additions, Deductions and
Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021

	Custodial Other Custodial
Additions	
Other Amounts Collected for Distribution	\$ 17,485
<i>Total Additions</i>	17,485
Deductions	
Other Distributions	17,485
<i>Total Deductions</i>	17,485
<i>Net Change in Fund Cash Balance</i>	-
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ -

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

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 - REPORTING ENTITY

Howland Township, Trumbull County, Ohio (the “Township”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees.

The Township provides the following services: police and fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services.

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

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members’ deductible. This organization is discussed in Note 9.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 balances (regulatory cash basis) for the fiduciary fund type, which are organized on a fund type basis.

B. Fund Accounting

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

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

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 - This fund accounts for tax and grant receipts and their use as they pertain to the Township’s roads.

Police District - This fund accounts for revenues collected for police operations.

Fire District - This fund accounts for revenues collected for fire operations.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital projects funds:

2020 Road Resurfacing Program - This fund accounts for and reports intergovernmental revenue restricted to pay debt incurred for road resurfacing in the Township.

2021 Road Resurfacing Program - This fund accounts for and reports intergovernmental revenue restricted to pay debt incurred for road resurfacing in the Township.

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.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for fire loss and demolition receipts and expenditures.

C. 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.

D. 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, department and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

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

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A summary of current year budgetary activity appears in Note 4.

E. 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.

During 2021, the Township invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Township measures its investment in STAR Ohio 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.

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability in the accompanying financial statements.

I. Long-term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay disbursement is reported at inception. Lease payments are reported when paid.

J. Fund Balance

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

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 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 only used to report a deficit fund 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 - 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. The carrying amount of deposits and investments at December 31 was as follows:

	2021
Deposits	
Demand Deposits	\$ 809,267
Investments:	
STAR Ohio	3,346,548
Total	\$4,155,815

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS – (Continued)

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding no unremitted employee payroll withholdings.

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

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

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	\$ 1,282,703	\$ 1,462,690	\$ 179,987
Special Revenue	8,703,631	9,040,143	336,512
Capital Projects	491,323	365,532	(125,791)

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 1,680,303	\$ 1,379,604	\$ 300,699
Special Revenue	9,412,415	7,871,791	1,540,624
Capital Projects	520,622	396,950	123,672

NOTE 5 - PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of 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.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 6 - DEBT OBLIGATIONS

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>
OPWC Loans	
Culvert Replacement	\$ 57,599
Road Resurfacing	248,914
Total OPWC Loans	306,513
Financed Purchase	536,692
Total	\$843,205

The Township has entered into two debt financing arrangements with the Ohio Public Works Commission (OPWC) to fund culvert replacement and road resurfacing projects. The culvert replacement loan was issued in 2013 for \$92,159 and is a 20-year, interest free loan with a final maturity in 2034. Principal payments were paid from the general fund in 2021. The road resurfacing loan was issued in the amount of \$311,142. The interest free loan is to be repaid over a 10-year period, beginning in 2020 and maturing in 2029. Principal payments were paid from the road and bridge fund in 2021.

The Township has entered into a lease-purchase obligation to acquire a new fire truck. The original lease-purchase obligation was entered into in 2018. During 2021, the Township refinanced the lease-purchase obligation. The original lease-purchase obligation required semi-annual payments, including interest at 3.76%, payable each April 15 and October 15 with the final payment due April 15, 2028. The refinanced lease-purchase obligation has semi-annual payments, including interest at 1.95%, payable each March 1 and September 1. The final payment on the refinanced lease-purchase obligation is due September 1, 2027. Payments of principal and interest are made from the fire district fund.

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

<u>Year Ending</u> <u>December 31:</u>	<u>OPWC</u> <u>Loans</u>	<u>Financed</u> <u>Purchase</u>
2022	\$ 35,722	\$ 97,972
2023	35,722	97,972
2024	35,722	97,972
2025	35,721	97,972
2026	35,722	97,972
2027 - 2031	116,384	97,972
2032 - 2034	11,520	-
Total	\$306,513	\$587,832

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Township employees, other than full-time police officers and fire fighters, 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. The contribution rates for 2021 are summarized in the following table:

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2021</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Public Safety</i>	<i>2014-2021</i>	<i>12%</i>	<i>18.1%</i>
<i>OPERS – Law Enforcement</i>	<i>2014-2021</i>	<i>13%</i>	<i>18.1%</i>

The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Pension Fund

The Township’s certified Fire Fighters and full-time Police Officers 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 postemployment 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 19.5% of full-time police members’ wages and 24% of full-time fire fighters’ wages, respectively.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time police</i>	<i>July 1, 2014- June 30, 2015</i>	<i>11.50%</i>	<i>19.50%</i>
<i>OP&F- full time police</i>	<i>July 1, 2015- December 31, 2021</i>	<i>12.25%</i>	<i>19.50%</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2014- June 30, 2015</i>	<i>11.50%</i>	<i>24.00%</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2015- December 31, 2021</i>	<i>12.25%</i>	<i>24.00%</i>

The Township has paid all contributions required through December 31, 2021.

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 8 - POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

NOTE 9 - RISK MANAGEMENT

Risk Pool Membership

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

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

OTARMA reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

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

NOTE 10 - CONTINGENT LIABILITIES

The Township is not party to any pending litigation that, in the opinion of management, will materially adversely affect the Township’s financial condition.

NOTE 11 - FUND BALANCES

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 facilities effective cash planning and control. At year end, the balances of these amounts were as follows:

	General	Special Revenue	Total
Outstanding Encumbrances	\$2,379	\$ 28,153	\$ 30,532

Howland Township
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - FUND BALANCES – (Continued)

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 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.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

The January 1, 2021 fund balance increased by \$142 in the General Fund and \$30 in the Special Revenue Fund due to voided checks.

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

Howland Township
Trumbull County
205 Niles Cortland Road NE
Warren, OH 44484

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Howland Township, Trumbull County, (the Township) and have issued our report thereon dated May 16, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

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 purposes of expressing our opinions 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.



Charles E. Harris & Associates, Inc.
May 16, 2023

**Howland Township
Trumbull County**

Schedule of Prior Audit Findings
For the Years Ended December 31, 2022 and 2021
Prepared by Management

Finding Number	Finding Summary	Status	Additional Information
2020-001	Employee Overpayment	Corrected	This was repaid during the prior year audit.

OHIO AUDITOR OF STATE KEITH FABER



HOWLAND TOWNSHIP

TRUMBULL 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 6/27/2023

88 East Broad 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