

**BOARDMAN TOWNSHIP**  
MAHONING COUNTY, OHIO

**Financial Statement**

**For the Year Ended  
December 31, 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Boardman Township  
8299 Market Street  
Boardman, Ohio 44512

We have reviewed the *Independent Auditor's Report* of Boardman Township, Mahoning County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 through December 31, 2019. 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. Boardman Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 12, 2020

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**BOARDMAN TOWNSHIP  
MAHONING COUNTY, OHIO**

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## Independent Auditor's Report

Boardman Township  
Mahoning County  
8299 Market Street  
Boardman, Ohio 44512

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Boardman Township, Mahoning County, Ohio, as of and for the year ended December 31, 2019.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Boardman Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Boardman Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2 of the financial statements, Boardman Township prepared these financial statements using 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), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though Boardman Township does not intend this statement to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Boardman Township as of December 31, 2019, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Boardman Township, Mahoning County, Ohio, as of December 31, 2019, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of Boardman Township. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2020 on our consideration of Boardman 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Boardman Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
July 28, 2020



**Boardman Township**  
*Mahoning County, Ohio*  
**Combined Statement of Receipts, Disbursements**  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
**All Governmental Fund Types**  
*For the Year Ended December 31, 2019*

|   | Governmental Fund Types |                    |                  |                     | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|------------------|---------------------|--------------------------------|
|   | General                 | Special<br>Revenue | Debt<br>Service  | Capital<br>Projects |                                |
| <b>Cash Receipts</b>                                  |                         |                    |                  |                     |                                |
| Property and Other Local Taxes                        | \$6,688,731             | \$8,159,561        | \$0              | \$0                 | \$14,848,292                   |
| Licenses, Permits and Fees                            | 438,323                 | 201,310            | 0                | 0                   | 639,633                        |
| Intergovernmental                                     | 1,022,451               | 1,549,873          | 0                | 225,000             | 2,797,324                      |
| Special Assessments                                   | 0                       | 263,715            | 0                | 0                   | 263,715                        |
| Earnings on Investments                               | 51,450                  | 7,236              | 0                | 0                   | 58,686                         |
| Miscellaneous   | 213,173                 | 871,288            | 0                | 0                   | 1,084,461                      |
| <i>Total Cash Receipts</i>                            | <u>8,414,128</u>        | <u>11,052,983</u>  | <u>0</u>         | <u>225,000</u>      | <u>19,692,111</u>              |
| <b>Cash Disbursements</b>                             |                         |                    |                  |                     |                                |
| Current:  |                         |                    |                  |                     |                                |
| General Government                                    | 1,840,926               | 79,578             | 0                | 0                   | 1,920,504                      |
| Public Safety   | 0                       | 12,692,461         | 0                | 0                   | 12,692,461                     |
| Public Works  | 10,000                  | 3,482,846          | 0                | 0                   | 3,492,846                      |
| Health  | 259,512                 | 8,778              | 0                | 0                   | 268,290                        |
| Capital Outlay  | 21,522                  | 339,726            | 0                | 872,959             | 1,234,207                      |
| Debt Service:   |                         |                    |                  |                     |                                |
| Principal Retirement                                  | 0                       | 32,650             | 340,176          | 0                   | 372,826                        |
| Interest and Fiscal Charges                           | 0                       | 1,134              | 83,125           | 0                   | 84,259                         |
| <i>Total Cash Disbursements</i>                       | <u>2,131,960</u>        | <u>16,637,173</u>  | <u>423,301</u>   | <u>872,959</u>      | <u>20,065,393</u>              |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | <u>6,282,168</u>        | <u>(5,584,190)</u> | <u>(423,301)</u> | <u>(647,959)</u>    | <u>(373,282)</u>               |
| <b>Other Financing Receipts (Disbursements)</b>       |                         |                    |                  |                     |                                |
| Sale of Notes   | 0                       | 0                  | 0                | 511,485             | 511,485                        |
| Transfers In  | 24,390                  | 4,900,449          | 411,872          | 136,575             | 5,473,286                      |
| Transfers Out   | (5,449,837)             | (23,450)           | 0                | 0                   | (5,473,287)                    |
| Advances In   | 329,400                 | 329,400            | 0                | 0                   | 658,800                        |
| Advances Out  | (329,400)               | (329,400)          | 0                | 0                   | (658,800)                      |
| Other Financing Sources                               | 0                       | 116,029            | 0                | 0                   | 116,029                        |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(5,425,447)</u>      | <u>4,993,028</u>   | <u>411,872</u>   | <u>648,060</u>      | <u>627,513</u>                 |
| <i>Net Change in Fund Cash Balances</i>               | 856,721                 | (591,162)          | (11,429)         | 101                 | 254,231                        |
| <i>Fund Cash Balances, January 1 (Restated)</i>       | <u>2,728,326</u>        | <u>2,266,583</u>   | <u>212,445</u>   | <u>14,615</u>       | <u>5,221,969</u>               |
| <b>Fund Cash Balances, December 31</b>                |                         |                    |                  |                     |                                |
| Nonspendable  | 60,549                  | 0                  | 0                | 0                   | 60,549                         |
| Restricted  | 0                       | 1,664,421          | 201,016          | 14,716              | 1,880,153                      |
| Committed   | 0                       | 11,000             | 0                | 0                   | 11,000                         |
| Assigned  | 48,906                  | 0                  | 0                | 0                   | 48,906                         |
| Unassigned (Deficit)                                  | 3,475,592               | 0                  | 0                | 0                   | 3,475,592                      |
| <i>Fund Cash Balances, December 31</i>                | <u>\$3,585,047</u>      | <u>\$1,675,421</u> | <u>\$201,016</u> | <u>\$14,716</u>     | <u>\$5,476,200</u>             |

*See accompanying notes to the basic financial statements*

**Boardman Township**  
*Mahoning County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2019*

|   | Fiduciary Fund Types |                          | Totals               |
|---|----------------------|--------------------------|----------------------|
|   | Custodial            | Private Purpose<br>Trust | (Memorandum<br>Only) |
| <b>Operating Cash Receipts</b>                      |                      |                          |                      |
| Charges for Services                                | \$1,330,969          | \$0                      | \$1,330,969          |
| <i>Total Operating Cash Receipts</i>                | <u>1,330,969</u>     | <u>0</u>                 | <u>1,330,969</u>     |
| <b>Operating Cash Disbursements</b>                 |                      |                          |                      |
| Salaries  | 6,904                | 0                        | 6,904                |
| Employee Fringe Benefits                            | 82                   | 0                        | 82                   |
| Purchased Services                                  | 17,078               | 0                        | 17,078               |
| Supplies and Materials                              | 1,270                | 0                        | 1,270                |
| Other   | 1,576,370            | 54                       | 1,576,424            |
| <i>Total Operating Cash Disbursements</i>           | <u>1,601,704</u>     | <u>54</u>                | <u>1,601,758</u>     |
| <i>Operating Income (Loss)</i>                      | <u>(270,735)</u>     | <u>(54)</u>              | <u>(270,789)</u>     |
| <b>Non-Operating Receipts (Disbursements)</b>       |                      |                          |                      |
| Special Assessments                                 | 227,538              | 0                        | 227,538              |
| Miscellaneous Receipts                              | 76,268               | 0                        | 76,268               |
| Other Financing Sources                             | 11,826               | 0                        | 11,826               |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>315,632</u>       | <u>0</u>                 | <u>315,632</u>       |
| <i>Net Change in Fund Cash Balances</i>             | 44,897               | (54)                     | 44,843               |
| <i>Fund Cash Balances, January 1</i>                | <u>453,181</u>       | <u>4,291</u>             | <u>457,472</u>       |
| <i>Fund Cash Balances, December 31</i>              | <u>\$498,078</u>     | <u>\$4,237</u>           | <u>\$502,315</u>     |

*See accompanying notes to the basic financial statements*

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 1 – REPORTING ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Boardman Township, Mahoning County, Ohio (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, and police and fire protection.

On October 12, 1999, the Board of Trustees passed a resolution that was to take effect on November 11, 1999, establishing Boardman Township as a “limited home rule government” and “urban township” as authorized by Chapter 504 of the Ohio Revised Code. This enabled the Township to exercise limited powers of local self-government and limited police powers.

***Jointly Governed Organizations, Public Entity Risk Pools, Component Units and Related Organizations***

The Township participates in jointly governed organizations, a public entity risk pool, has a component unit and is associated with a related organization. Notes 6 and 10-12 to the financial statements provides additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

**Jointly Governed Organizations:**

The Township has entered into an agreement with Austintown Township and Canfield Township to form the ABC Water District. The District was formed to efficiently provide for construction, operation, maintenance and financing of storm water management facilities.

The Township has entered into an agreement with Austintown Township and the Mahoning County Sheriff’s Department to form the Austintown-Boardman-Mahoning County Joint Communications District. The District was formed to efficiently provide communications for and between entities and other non-member jurisdictions for the protection of the residents of Mahoning County.

**Public Entity Risk Pool:**

The Township is a member of the Ohio Township Association Risk Management Authority, a risk-sharing pool.

**Component Unit:**

The Township signed a petition that was executed and delivered by Southern Park Mall, LLC, and has created the Energy Special Improvement District. The District was formed to provide the financing for improvements of Southern Park Mall, LLC parcels of real property.

**Related Organization:**

The Trustees appoint a three-member Board of Commissioners to govern the Boardman Township Park District. The Trustees accountability is limited to the appointment of the Board of Commissioners. The Park Commissioners are authorized to acquire, develop, protect, maintain and improve park lands and facilities.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**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 combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types 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:

***2011 Police Levy*** - This fund receives property tax money to provide police patrol protection for Township residents.

***2008 Special Fire Levy Fund*** - This fund receives property tax money to provide fire protection for Township residents.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

***Fire Truck Fund*** - This fund is used to make annual capital lease debt service obligation payments.

***New Fire Station Fund*** - This fund is used to make debt service obligation payments for the new fire station.

***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. The Township had the following capital project funds:

***Public Works Projects Fund*** - The Township used this fund in relation to projects funded with Ohio Public Works Commission assistance.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Fund** - The Township uses this fund to make necessary capital improvements with grants and transfers in from the General Fund.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund is for the benefit of certain cemetery lots.

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's custodial funds account for monies received from the United States Marshall Service, Fire Loss Proceeds, Joint Communications District, Energy Special Improvement District (ESID), ABC Water District (2019 final year reported on Township books), and First Energy Solutions.

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 a 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.

***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.

***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.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2019 follows:

| 2019 Budgeted vs. Actual Receipts |                      |                    |               |
|-----------------------------------|----------------------|--------------------|---------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance      |
| General                           | \$7,438,406          | \$8,438,518        | \$1,000,112   |
| Special Revenue                   | 18,726,873           | 16,069,462         | (2,657,411)   |
| Debt Service                      | 514,492              | 411,872            | (102,620)     |
| Capital Projects                  | 2,111,015            | 873,060            | (1,237,955)   |
| Private Purpose Trust             | 0                    | 0                  | 0             |
| Total                             | \$28,790,786         | \$25,792,912       | (\$2,997,874) |

| 2019 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$7,751,605                | \$7,630,301               | \$121,304 |
| Special Revenue                                       | 17,960,611                 | 17,136,091                | 824,520   |
| Debt Service  | 462,392                    | 423,301                   | 39,091    |
| Capital Projects                                      | 883,479                    | 878,847                   | 4,632     |
| Private Purpose Trust                                 | 150                        | 54                        | 96        |
| Total   | \$27,058,237               | \$26,068,594              | \$989,643 |

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 4 – DEPOSITS AND INVESTMENTS**

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

|                                |                           |
|--------------------------------|---------------------------|
|                                | <u>2019</u>               |
| Demand deposits                | <u>\$5,724,883</u>        |
| STAR Ohio                      | <u>253,632</u>            |
| Total investments              | <u>253,632</u>            |
| Total deposits and investments | <u><u>\$5,978,515</u></u> |

***Deposits***

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

***Investments***

Investments in STAR Ohio 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 homestead and rollback deductions. The financial statements include homestead and rollback 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**

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

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



**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 6 – RISK MANAGEMENT (Continued)**

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

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

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

|                       | <u>2019</u>  |
|-----------------------|--------------|
| Cash and investments  | \$35,207,320 |
| Actuarial liabilities | \$10,519,942 |

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants’ gross salaries while OPERS public safety and law enforcement members contributed 12% and 13%, respectively, of their gross salaries while the Township contributed an amount equaling 18.10%. The Township has paid all contributions required through December 31, 2019.

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

The Township’s certified Fire Fighters and full-time Police Officers belong to the 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 healthcare 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 percent of full-time police members’ wages, and 24 percent of full-time fire fighters’ wages, respectively. The Township has paid all contributions required through December 31, 2019.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**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 2019. OP&F contributes 0.5 percent to fund these benefits.

**NOTE 9 – DEBT**

Debt outstanding at December 31, 2019, was as follows:

|                          | <u>Principal</u>   | <u>Interest Rate</u> |
|--------------------------|--------------------|----------------------|
| Fire Truck Capital Lease | \$55,982           | 3.00%                |
| OPWC Loan                | 506,075            | 0.00%                |
| OPWC Loan                | 160,011            | 0.00%                |
| Boardman School Note     | 173,250            | 0.00%                |
| New Fire Station Loan    | 2,823,811          | 2.53%                |
| Vactor Truck             | 218,388            | 2.73%                |
| 2019 Fire Truck          | <u>511,485</u>     | 3.48%                |
| Total                    | <u>\$4,449,002</u> |                      |

The Township has an existing loan for a fire truck purchased in 2012 and the Ohio Public Works Commission Loans that are interest free were issued to finance infrastructure and paving projects.

The Township partnered with First National Bank to finance a new Fire Station issuing a General Obligation Bond. The Bond has a seven year maturity with a 20 year amortization. After the seventh year the bond can be refinanced. The Township also purchased a Vactor truck for the road department in 2017. The Township also has a note for land purchased in a land swap with Boardman Schools. In 2019, the Township received a fire truck and related loan for a purchase agreement entered into in 2018.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**NOTE 9 – DEBT (Continued)**

***Amortization***

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

| Year Ending<br>December 31: | Vactor<br>Capital<br>Leases | Fire Truck      | OPWC<br>Loan     | OPWC<br>Loan     | School<br>Note   | New Fire<br>Station Loan | 2019<br>Fire Truck |
|-----------------------------|-----------------------------|-----------------|------------------|------------------|------------------|--------------------------|--------------------|
| 2020                        | \$76,806                    | \$55,982        | \$32,650         | \$11,429         | \$28,875         | \$192,712                | \$83,600           |
| 2021                        | 76,806                      |                 | 32,650           | 11,429           | 28,875           | 192,712                  | 83,600             |
| 2022                        | 76,806                      |                 | 32,650           | 11,429           | 28,875           | 192,712                  | 83,600             |
| 2023                        |                             |                 | 32,650           | 11,429           | 28,875           | 192,712                  | 83,600             |
| 2024                        |                             |                 | 32,650           | 11,429           | 28,875           | 192,712                  | 83,600             |
| 2025-2029                   |                             |                 | 163,250          | 57,145           | 28,875           | 963,565                  | 167,201            |
| 2030-2034                   |                             |                 | 163,250          | 45,720           |                  | 963,562                  |                    |
| 2035-2038                   |                             |                 | 16,325           |                  |                  | 674,492                  |                    |
| Total                       | <u>\$230,418</u>            | <u>\$55,982</u> | <u>\$506,075</u> | <u>\$160,010</u> | <u>\$173,250</u> | <u>\$3,565,179</u>       | <u>\$585,201</u>   |

**NOTE 10 - COMPONENT UNIT**

The Township signed a petition that was executed and delivered by Southern Park Mall, LLC, and has created the Energy Special Improvement District. The District was formed to provide the financing for public improvements of Southern Park Mall, LLC parcels of real property and will promote the welfare of the people of the Township by providing energy improvements and promoting energy efficiency. The Township will appoint the Township Administrator and Fiscal Officer to the Board of Directors. The Township has created an agency fund to account for the receipts and disbursements of the Energy Special Improvement District.

**NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS**

The Township has entered into an agreement with Austintown Township and Canfield Township to form the ABC Water District. The District was formed to efficiently provide for construction, operation, maintenance and financing of storm water management facilities. Each Township will appoint one member to the three member board. Each Township will be equally responsible for the funding and maintenance of the District.

The Township has entered into an agreement with Austintown Township and the Mahoning County Sheriff's Department to form the Austintown-Boardman-Mahoning County Joint Communications District. The District was formed to efficiently provide communications for and between entities and other nonmember jurisdictions for the protection of the residents of Mahoning County. Each entity will appoint one member to the three member board. Member entities will be responsible for the funding and maintenance of the District.

**Boardman Township**  
Mahoning County, Ohio

Notes to the Financial Statements  
For the Year Ended December 31, 2019

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**NOTE 12 - RELATED ORGANIZATION**

The Trustees appoint a three-member Board of Commissioners to govern the Boardman Township Park District. The Trustees accountability is limited to the appointment of the Board of Commissioners. The Park Commissioners are authorized to acquire, develop, protect, maintain and improve park lands and facilities. The Park District is fiscally autonomous from the Township. There were no related party transactions identified between the Park District and the Township.

**NOTE 13 – RESTATEMENT OF FUND BALANCES**

Certain fund balances were restated due to voiding of prior year stale dated outstanding checks in the following fund types and amounts:

|                         |                                    |
|-------------------------|------------------------------------|
| <u>General</u><br>\$941 | <u>Special Revenue</u><br>\$23,448 |
|-------------------------|------------------------------------|

**NOTE 14 – TRANSFERS AND ADVANCES**

**A. Advances**

All advances in 2019 were repaid in 2019. There are no outstanding advances at year end.

**B. Transfers**

Transfers from the special revenue fund type in the amount of \$23,450 related to the moving/voiding of stale dated checks to the unclaimed revenues fund. Remaining transfers in the General fund in the amount of \$940 related to the moving/voiding of stale dated checks to the unclaimed revenues fund. In accordance with GASB 54, the unclaimed monies fund is combined with the General fund for financial reporting.

**NOTE 15 – SUBSEQUENT EVENTS**

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing measures will impact subsequent periods of the Township. The impact on the Township's future resources and obligations, cannot be estimated.

In 2020 the Township purchased a police vehicle (Bearcat) to use by the Narcotics team.

In December 2018, the Township entered into an agreement with Spillman Motorola for a records management system for the Boardman Police Department. The first payment for the system is not due until 2021 for 86,093.68 per year, for six years.

**NOTE 16 – NONCOMPLIANCE**

The Township was in noncompliance with Ohio Revised Code Section 5705.36.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Boardman Township  
Mahoning County  
8299 Market Street  
Boardman, Ohio 44512

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Boardman Township, Mahoning County, Ohio, as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2020, wherein we noted Boardman Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Boardman Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Boardman Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Boardman Township's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether Boardman Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2019-001.

***Boardman Township's Response to Finding***

The Boardman Township's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not subject the Boardman Township's response to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Boardman Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Boardman Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
July 28, 2020

**BOARDMAN TOWNSHIP  
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019**

| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENT<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |          |
|---|----------|
| Finding Number  | 2019-001 |

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Furthermore, it requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected be greater or less than the amount in the last certified amended certificate.

The Township did not properly certify its audited beginning fund balances less outstanding encumbrances at December 31, 2018 to the appropriate authorities as required by law. Additionally, the Township did not submit any amended certificates to the County throughout the year upon notification of reduced or increased estimated receipts.

By not accurately certifying beginning unencumbered balances and timely amending its certificate of estimated resources to the County Auditor, the Township is basing appropriation and expenditure decisions on outdated information.

We recommend the Township consult the Ohio Compliance Supplement, the Township's Handbook and its auditors to ensure that Township fund balances agree to audited reports. We further recommend the Township certify its available sources at year end and file amended certificates as necessary throughout the year. This will facilitate the Township's budgeting process.

*Client Response:* The Township is attempting to monitor the budget more closely.

**BOARDMAN TOWNSHIP  
MAHONING COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2019**

| <b>Finding Number</b> | <b>Year Initially Occurred</b> | <b>Finding Summary</b>   | <b>Status</b> | <b>Additional Information</b> |
|-----------------------|--------------------------------|--|---------------|-------------------------------|
| 2018-001              | 2016                           | <u>Material Weakness – Financial Reporting</u> – The Township did not have adequate policies and procedures in place for proper reporting. The Township had adjustments to the financial statements and notes. | Corrected     | N/A                           |



# OHIO AUDITOR OF STATE KEITH FABER



**BOARDMAN TOWNSHIP**

**MAHONING 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 10/20/2020**

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