



**BOARDMAN TOWNSHIP
MAHONING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 -1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

We have audited the accompanying financial statements of Boardman Township, Mahoning County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 30, 2001

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**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$5,728,431	\$3,421,579		\$9,150,010
Intergovernmental	3,659,333	463,111		4,122,444
Special Assessments		244,330		244,330
Licenses, Permits, and Fees	101,041	75,900		176,941
Earnings on Investments	552,091	20,071	\$6,045	578,207
Other Revenue	225,514	306,607	121,672	653,793
	<u>10,266,410</u>	<u>4,531,598</u>	<u>127,717</u>	<u>14,925,725</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	1,083,372	106,782		1,190,154
Public Safety	5,812,539	1,666,857		7,479,396
Public Works	415,851	2,310,485		2,726,336
Health	264,798	9,770		274,568
Capital Outlay	298,365		394,499	692,864
	<u>7,874,925</u>	<u>4,093,894</u>	<u>394,499</u>	<u>12,363,318</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>2,391,485</u>	<u>437,704</u>	<u>(266,782)</u>	<u>2,562,407</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	44,003	565,777	53,986	663,766
Advances-In	935,876	735,876	200,000	1,871,752
Transfers-Out	(583,763)	(80,003)		(663,766)
Advances-Out	(935,876)	(735,876)	(200,000)	(1,871,752)
Contingencies	(146,514)			(146,514)
Sale of Assets	12,775			12,775
	<u>(673,499)</u>	<u>485,774</u>	<u>53,986</u>	<u>(133,739)</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,717,986	923,478	(212,796)	2,428,668
Fund Cash Balances, January 1	<u>5,657,637</u>	<u>2,096,628</u>	<u>917,457</u>	<u>8,671,722</u>
Fund Cash Balances, December 31	<u>\$7,375,623</u>	<u>\$3,020,106</u>	<u>\$704,661</u>	<u>\$11,100,390</u>
Reserve for Encumbrances, December 31	<u>\$280,383</u>	<u>\$10,769</u>	<u>\$13,097</u>	<u>\$304,249</u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Interest	\$28,604		\$28,604
Total Operating Cash Receipts	28,604		28,604
 Fund Cash Balances, January 1	 501,877	 \$10,799	 512,676
Fund Cash Balances, December 31	\$530,481	\$10,799	\$541,280

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$5,538,844	\$3,212,120		\$8,750,964
Intergovernmental	4,611,648	510,666		5,122,314
Special Assessments		236,847		236,847
Licenses, Permits, and Fees	91,243	82,970		174,213
Earnings on Investments	375,499	1,764	\$29,837	407,100
Other Revenue	546,781	672,174	333,013	1,551,968
Total Cash Receipts	<u>11,164,015</u>	<u>4,716,541</u>	<u>362,850</u>	<u>16,243,406</u>
Cash Disbursements:				
Current:				
General Government	1,007,313	88,152		1,095,465
Public Safety	5,759,340	2,135,956		7,895,296
Public Works	429,320	2,594,171	180	3,023,671
Health	236,115			236,115
Capital Outlay	784,717		2,820,819	3,605,536
Total Cash Disbursements	<u>8,216,805</u>	<u>4,818,279</u>	<u>2,820,999</u>	<u>15,856,083</u>
Total Receipts Over/(Under) Disbursements	<u>2,947,210</u>	<u>(101,738)</u>	<u>(2,458,149)</u>	<u>387,323</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	7,380	166,167	265,606	439,153
Advances-In	1,129,000	561,000	568,000	2,258,000
Transfers-Out	(416,773)	(16,255)		(433,028)
Advances-Out	(1,129,000)	(561,000)	(568,000)	(2,258,000)
Other Sources	14,207			14,207
Contingencies	(30,970)			(30,970)
Total Other Financing Receipts/(Disbursements)	<u>(426,156)</u>	<u>149,912</u>	<u>265,606</u>	<u>(10,638)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>2,521,054</u>	<u>48,174</u>	<u>(2,192,543)</u>	<u>376,685</u>
Fund Cash Balances, January 1	<u>3,136,583</u>	<u>2,048,454</u>	<u>3,110,000</u>	<u>8,295,037</u>
Fund Cash Balances, December 31	<u>\$5,657,637</u>	<u>\$2,096,628</u>	<u>\$917,457</u>	<u>\$8,671,722</u>
Reserve for Encumbrances, December 31	<u>\$277,292</u>	<u>\$22,446</u>	<u>\$409,156</u>	<u>\$708,894</u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Interest	\$18,002		\$18,002
Miscellaneous		\$6,249	6,249
	18,002	6,249	24,251
 Total Operating Cash Receipts			
	18,002	6,249	24,251
 Income Before Operating Transfers			
	18,002	6,249	24,251
 Transfers-Out	(6,125)		(6,125)
	11,877	6,249	18,126
 Net Receipts Over/(Under) Disbursements			
	11,877	6,249	18,126
 Fund Cash Balances, January 1			
	490,000	4,550	494,550
 Fund Cash Balances, December 31	\$501,877	\$10,799	\$512,676

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Boardman Township, Mahoning County, (the Township) is a body corporate and politic established to exercise 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 general governmental services, including road and bridge maintenance, cemetery maintenance, security of persons and property, zoning, street lighting, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit and repurchase agreements are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police District Fund - This fund receives local tax money and monies from fines, forfeitures and fees to provide Township security of persons and property.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds

Erskine Avenue Issue II Fund - The Township received a grant from the State of Ohio to improve roads within the township.

Capital Improvement Fund- Funds were used for police cruisers, capital equipment, and infrastructure (ex. Tod Avenue project).

Capital Projects Road Building - Funds were used for new equipment and the construction of a new township building.

4. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Non-Expendable Trust Fund - This fund is used to account for resources set aside for use as provided by House Bill 426.

Agency Fund - This fund is used to account for unclaimed moneys where the Township is acting in agency capacity.

E. Budgetary Process

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

1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. 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 also approve estimated resources.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$110,676	\$108,583
Certificates of deposit	<u>10,495,255</u>	<u>7,450,000</u>
Total deposits	<u>10,605,931</u>	<u>7,558,583</u>
Investment:		
Repurchase Agreement	<u>1,035,739</u>	<u>1,625,815</u>
Total deposits and investment	<u><u>\$11,641,670</u></u>	<u><u>\$9,184,398</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investment: The Repurchase Agreement includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent but not in the Township's name. The financial institution maintains records identifying the Township as owner of these securities.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,103,748	\$10,323,188	\$1,219,440
Special Revenue	4,687,307	5,097,375	410,068
Capital Projects	352,085	181,703	(170,382)
Fiduciary	6,125	28,604	22,479
Total	<u>\$14,149,265</u>	<u>\$15,630,870</u>	<u>\$1,481,605</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,913,201	\$8,885,585	\$2,027,616
Special Revenue	4,743,254	4,184,666	558,588
Capital Projects	733,397	407,596	325,801
Fiduciary	0	0	0
Total	<u>\$16,389,852</u>	<u>\$13,477,847</u>	<u>\$2,912,005</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,390,570	\$11,185,602	\$2,795,032
Special Revenue	4,466,869	4,882,708	415,839
Capital Projects	597,400	628,456	31,056
Fiduciary	0	24,251	24,251
Total	<u>\$13,454,839</u>	<u>\$16,721,017</u>	<u>\$3,266,178</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,401,861	\$8,941,840	\$1,460,021
Special Revenue	5,055,735	4,856,980	198,755
Capital Projects	3,695,235	3,230,155	465,080
Fiduciary	6,125	6,125	0
Total	<u>\$19,158,956</u>	<u>\$17,035,100</u>	<u>\$2,123,856</u>

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Township's law enforcement officers and fire fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages for 1999 and 24% for 2000. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Inland Marine

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

We have audited the accompanying financial statements of Boardman Township, Mahoning County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated August 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated August 30, 2001.

Boardman Township
Mahoning County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BOARDMAN TOWNSHIP

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2001**