



**Auditor of State
Betty Montgomery**

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

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**Auditor of State
Betty Montgomery**

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

January 6, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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, (the Township) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Boardman Township, Mahoning County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

January 6, 2006

**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, 2004**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$5,971,902	\$3,492,223	\$0	\$9,464,125
Intergovernmental	2,464,584	678,456	64,027	3,207,067
Special Assessments		248,016		248,016
Charges for Services		70,808		70,808
Licenses, Permits, and Fees	280,399			280,399
Earnings on Investments	103,429	567		103,996
Other Revenue	3,832	429,198	0	433,030
	<u>8,824,146</u>	<u>4,919,268</u>	<u>64,027</u>	<u>13,807,441</u>
Cash Disbursements:				
Current:				
General Government	1,411,615	72,686		1,484,301
Public Safety	8,993,997	2,685,145		11,679,142
Public Works	974,246	2,684,104		3,658,350
Health	274,122			274,122
Capital Outlay	476,213	60,700	1,512,221	2,049,134
	<u>12,130,193</u>	<u>5,502,635</u>	<u>1,512,221</u>	<u>19,145,049</u>
Total Receipts Over/(Under) Disbursements	<u>(3,306,047)</u>	<u>(583,367)</u>	<u>(1,448,194)</u>	<u>(5,337,608)</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	98,000	365,000	1,177,008	1,640,008
Advances-In	407,000	407,000		814,000
Transfers-Out	(1,542,158)	(1,498)	(98,000)	(1,641,656)
Advances-Out	(407,000)	(407,000)		(814,000)
Other Sources	315,026	0		315,026
	<u>(1,129,132)</u>	<u>363,502</u>	<u>1,079,008</u>	<u>313,378</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,435,179)	(219,865)	(369,186)	(5,024,230)
Fund Cash Balances, January 1 (Restated - See Note 8)	<u>8,696,585</u>	<u>2,460,201</u>	<u>529,518</u>	<u>11,686,304</u>
Fund Cash Balances, December 31	<u>\$4,261,406</u>	<u>\$2,240,336</u>	<u>\$160,332</u>	<u>\$6,662,074</u>
Reserve for Encumbrances, December 31	<u>\$220,319</u>	<u>\$54,723</u>	<u>\$63,856</u>	<u>\$338,898</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
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	\$5,560		\$5,560
Total Operating Cash Receipts	5,560	0	5,560
Operating Cash Disbursements:			
Total Operating Cash Disbursements	0	0	0
Operating Income	5,560	0	5,560
Excess of Receipts Over Disbursements Before Interfund Transfers	5,560	0	5,560
Transfers-In		1,648	1,648
Net Receipts Over Disbursements	5,560	1,648	7,208
Fund Cash Balances, January 1	572,455	11,376	583,831
Fund Cash Balances, December 31	<u>\$578,015</u>	<u>\$13,024</u>	<u>\$591,039</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</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
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$5,963,085	\$3,504,756	\$0	\$9,467,841
Intergovernmental	2,627,398	591,147	91,586	3,310,131
Special Assessments		302,277		302,277
Licenses, Permits, and Fees	277,040	71,782		348,822
Earnings on Investments	153,803	193		153,996
Other Revenue	149,368	110,826		260,194
	9,170,694	4,580,981	91,586	13,843,261
Cash Disbursements:				
Current:				
General Government	1,530,989	100,664		1,631,653
Public Safety	7,621,622	2,490,646		10,112,268
Public Works	828,711	2,847,999		3,676,710
Health	279,568			279,568
Capital Outlay	343,950		635,687	979,637
	10,604,840	5,439,309	635,687	16,679,836
Total Receipts Over/(Under) Disbursements	(1,434,146)	(858,328)	(544,101)	(2,836,575)
Other Financing Receipts and (Disbursements):				
Transfers-In	204,679	94,323	414,500	713,502
Advances-In	910,000	910,000		1,820,000
Transfers-Out	(449,978)	(62,592)	(202,319)	(714,889)
Advances-Out	(910,000)	(910,000)		(1,820,000)
	(245,299)	31,731	212,181	(1,387)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,679,445)	(826,597)	(331,920)	(2,837,962)
Fund Cash Balances, January 1 (Restated - See Note 8)	10,375,879	3,285,300	861,438	14,522,617
Fund Cash Balances, December 31	\$8,696,434	\$2,458,703	\$529,518	\$11,684,655
Reserve for Encumbrances, December 31	\$268,886	\$39,171	\$1,740	\$309,797

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 FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	7,459		7,459
Total Operating Cash Receipts	7,459	0	7,459
Operating Cash Disbursements:			
Other		1,171	1,171
Total Operating Cash Disbursements	0	1,171	1,171
Operating Income/(Loss)	7,459	(1,171)	6,288
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	7,459	(1,171)	6,288
Transfers-In		1,387	1,387
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	7,459	216	7,675
Fund Cash Balances, January 1 (Restated - See Note 8)	564,996	11,160	576,156
Fund Cash Balances, December 31	<u>\$572,455</u>	<u>\$11,376</u>	<u>\$583,831</u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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 the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

C. Cash 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.

The Township values certificates of deposit at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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:

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Police District Fund - This fund receives local tax money and monies from fines, forfeitures and fees to pay for Police protection for the Township.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds

Forest Glen Traffic Calming Fund - The Township received a grant from Mahoning County to widen the road.

Capital Projects Fund – The Township uses this fund to make necessary capital improvements with transfers from the General Fund.

4. Fiduciary Funds (Trust and Agency Funds)

These funds 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.

Unclaimed Moneys Fund – This fund receives money from outdated checks that have not been cashed within 12 months of issue date. Any money paid out of this fund is paid to someone who had money due to them from the Township but did not cash the check within 12 months of the issue date.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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, 2004 AND 2003
(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 2004 and 2003 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2004</u>	<u>2003</u>
Demand deposits	\$185,431	\$81,712
Certificates of deposit	3,045,949	8,765,741
Total deposits	<u>3,231,380</u>	<u>8,847,453</u>
STAR Ohio	1,013,733	1,754,033
Repurchase agreement	3,008,000	1,667,000
Total investments	<u>4,021,733</u>	<u>3,421,033</u>
Total deposits and investments	<u><u>\$7,253,113</u></u>	<u><u>\$12,268,486</u></u>

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

Investments: The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,764,095	\$9,237,172	\$473,077
Special Revenue	5,631,290	5,284,268	(347,022)
Capital Projects	1,841,508	1,241,035	(600,473)
Fiduciary	0	7,208	7,208
Total	<u>\$16,236,893</u>	<u>\$15,769,683</u>	<u>(\$467,210)</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$14,907,318	\$13,892,670	\$1,014,648
Special Revenue	5,995,691	5,558,856	436,835
Capital Projects	1,757,201	1,674,077	83,124
Total	<u>\$22,660,210</u>	<u>\$21,125,603</u>	<u>\$1,534,607</u>

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,774,186	\$9,375,373	\$601,187
Special Revenue	5,050,544	4,675,304	(375,240)
Capital Projects	165,500	506,086	340,586
Fiduciary	1,387	8,846	7,459
Total	<u>\$13,991,617</u>	<u>\$14,565,609</u>	<u>\$573,992</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,885,769	\$11,323,704	\$1,562,065
Special Revenue	5,839,344	5,541,072	298,272
Capital Projects	1,081,362	839,746	241,616
Fiduciary	1,171	1,171	0
Total	<u>\$19,807,646</u>	<u>\$17,705,693</u>	<u>\$2,101,953</u>

4. PROPERTY TAX

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

4. PROPERTY TAX (Continued)

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 certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, members of OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions
- Inland Marine.

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

7. CONTINGENT LIABILITIES

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

8. PRIOR PERIOD ADJUSTMENT

In 2004 and 2003 the Township voided several long outstanding checks which were written in prior periods by recording the following adjustments to fund cash balances:

2003 Prior Period Adjustments			
Fund Type	12/31/02 Fund Cash Balances	Adjustments	1/1/03 Fund Cash Balances
General	\$10,375,402	477	\$10,375,879
Special Revenue	\$3,284,576	724	\$3,285,300
Nonexpendable Trust	\$564,812	184	\$564,996

2004 Prior Period Adjustments			
Fund Type	12/31/03 Fund Cash Balances	Adjustments	1/1/04 Fund Cash Balances
General	\$8,696,434	151	\$8,696,585
Special Revenue	\$2,458,703	1,498	\$2,460,201



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' 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 the financial statements of Boardman Township (the Township) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated January 6, 2006, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated January 6, 2006, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the 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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Township's management dated January 6, 2006, we reported other matters related to noncompliance we deemed immaterial.

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Boardman Township
Mahoning County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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We intend this report solely for the information and use of the management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 6, 2006



**Auditor of State
Betty Montgomery**

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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
MARCH 21, 2006**