



Dave Yost • Auditor of State



**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

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# Dave Yost • Auditor of State

## 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, (the "Township") as of and for the year ended December 31, 2016.

### ***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 the 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 the Township's internal control. Accordingly, we express no 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, the 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 the Township does not intend these statements 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 the Township as of December 31, 2016, or 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 combined cash balances of Boardman Township, Mahoning County as of December 31, 2016, and its combined cash receipts and disbursements 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2017, 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. 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 the Township's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 2, 2017

**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, 2016

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$5,187,063	\$8,147,697			\$13,334,760
Licenses, Permits and Fees	338,552	22,091			360,643
Intergovernmental	1,470,083	1,515,923		\$53,982	3,039,988
Special Assessments	10,811	262,586			273,397
Earnings on Investments	18,626	3,298			21,924
Miscellaneous	61,282	377,674			438,956
<i>Total Cash Receipts</i>	<u>7,086,417</u>	<u>10,329,269</u>	<u>0</u>	<u>53,982</u>	<u>17,469,668</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,607,235				1,607,235
Public Safety		12,622,410			12,622,410
Public Works	10,000	3,026,073			3,036,073
Health	261,870	3,780			265,650
Capital Outlay	49,960	424,267		820,501	1,294,728
Debt Service:					
Principal Retirement	5,163	116,027	\$112,224		233,414
Interest and Fiscal Charges	174	4,623	12,747		17,544
<i>Total Cash Disbursements</i>	<u>1,934,402</u>	<u>16,197,180</u>	<u>124,971</u>	<u>820,501</u>	<u>19,077,054</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,152,015</u>	<u>(5,867,911)</u>	<u>(124,971)</u>	<u>(766,519)</u>	<u>(1,607,386)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In		5,465,576	113,542	715,779	6,294,897
Transfers Out	(6,294,897)				(6,294,897)
Advances In	966,500	966,500			1,933,000
Advances Out	(966,500)	(966,500)			(1,933,000)
Other Financing Sources	20	4,981			5,001
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(6,294,877)</u>	<u>5,470,557</u>	<u>113,542</u>	<u>715,779</u>	<u>5,001</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,142,862)</u>	<u>(397,354)</u>	<u>(11,429)</u>	<u>(50,740)</u>	<u>(1,602,385)</u>
<i>Fund Cash Balances, January 1</i>	<u>6,393,958</u>	<u>2,622,640</u>	<u>246,733</u>	<u>65,424</u>	<u>9,328,755</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		2,225,286	235,304	14,684	2,475,274
Unassigned (Deficit)	5,251,096				5,251,096
<i>Fund Cash Balances, December 31</i>	<u>\$5,251,096</u>	<u>\$2,225,286</u>	<u>\$235,304</u>	<u>\$14,684</u>	<u>\$7,726,370</u>

See accompanying notes to the 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, 2016*

	Fiduciary Fund Types		Totals
	Agency	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Disbursements</b>			
Improvement District	\$227,538		\$227,538
Supplies and Materials	988		988
Other	38,000	\$97	38,097
<i>Total Operating Cash Disbursements</i>	<u>266,526</u>	<u>97</u>	<u>266,623</u>
<i>Operating Income (Loss)</i>	<u>(266,526)</u>	<u>(97)</u>	<u>(266,623)</u>
<b>Non-Operating Receipts</b>			
Improvement District	227,538		227,538
Miscellaneous Receipts	26,000		26,000
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>253,538</u>	<u>0</u>	<u>253,538</u>
<i>Net Change in Fund Cash Balances</i>	(12,988)	(97)	(13,085)
<i>Fund Cash Balances, January 1</i>	<u>25,034</u>	<u>4,518</u>	<u>29,552</u>
<i>Fund Cash Balances, December 31</i>	<u>\$12,046</u>	<u>\$4,421</u>	<u>\$16,467</u>

*See accompanying notes to the financial statements*



**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the 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, and police and fire protection. The Township contracts with Lane LifeTRANS, to provide ambulance 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 has created a component unit, participates in two jointly governed organizations and is associated with a related organization. Notes 8-11 to the financial statements provides additional information for these entities. These organizations are:

**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.

**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.

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

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

***Basis of Presentation***

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies – (Continued)**

***Fund Accounting***

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

***General Fund***

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds***

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

***Special Levy Police Fund*** – This fund receives property tax money to provide police protection for Township residents.

***Special Levy Fire 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 Fund

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

***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 significant capital project funds:

***Issue II Fund*** - The Township received a grant from the State of Ohio to replace a culvert on East Parkside Avenue.

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

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies – (Continued)**

***Fiduciary Funds***

Fiduciary funds include private purpose trust funds and agency 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.

Agency 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 agency funds accounts for monies received from the United States Marshall Service, Energy Special Improvement District and Fire Loss Proceeds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

The Ohio Revised Code requires that each fund 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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2016 budgetary activity appears in Note 3.

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**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 an NAV per share that approximates fair value.

***Capital Assets***

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

***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.

**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.

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**Note 2 – Summary of Significant Accounting Policies – (Continued)**

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, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,631,200	\$8,052,937	\$421,737
Special Revenue	18,001,510	16,766,326	(1,235,184)
Debt Service	113,542	113,542	0
Capital Projects	1,386,000	769,761	(616,239)
Total	\$27,132,252	\$25,702,566	(\$1,429,686)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,460,444	\$9,208,286	\$252,158
Special Revenue	18,286,157	17,622,158	663,999
Debt Service	130,687	130,687	0
Capital Projects	828,375	820,501	7,874
Total	\$28,705,663	\$27,781,632	\$924,031

**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:

	2016
Demand deposits	\$7,675,295
Other time deposits (savings and NOW accounts)	53,197
Total deposits	7,728,492
STAR Ohio	14,345
Total investments	14,345
Total deposits and investments	\$7,742,837

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation. At December 31, 2016, \$7,478,492 of deposits were not insured or collateralized, contrary to Ohio law.

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

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**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.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	<u>2016</u>
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**Note 6 - Risk Management – (Continued)**

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$51,454.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contribution to OTARMA</u>
<u>2016</u>
\$114,342

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 -Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement 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, 2016.

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

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% of their wages. The Township contributed to OP&F an amount equal to 19.50% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2016.

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 9 - Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Fire Truck Capital Lease	\$375,883	2.81%
Ohio Public Works Commission Loans	\$798,324	0.00%
Fire Station Land Acquisition Note	259,875	0%
Total	\$1,434,082	

The Township entered into a capital lease to purchase a fire truck. The Ohio Public Works Commission Loans are interest free loans issued to finance the 2013 Infrastructure Repair Project and 2015 Street

Resurfacing Project. The Fire Station Land Acquisition Note was issued to purchase land from the Boardman Local School District in order to build a new fire station.

***Amortization***

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

	Fire Truck Capital Lease	Fire Station Land Acquisition Note	OPWC Loan
Year ending December 31:			
2017	113,542	28,875	44,079
2018	113,542	28,875	44,079
2019	113,542	28,875	44,079
2020	56,771	28,875	44,079
2021		28,875	44,079
2021-2025		115,500	220,395
2026-2030			220,395
2031-2035			137,139
Total	\$397,397	\$259,875	\$798,324

**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.



**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**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 non-member 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.

**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.

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# Dave Yost • Auditor of State

## 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, (the "Township") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 2, 2017 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 the 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 the 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 that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

***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, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 2, 2017

**BOARDMAN TOWNSHIP  
MAHONING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2016-001**

**Material Weakness - Posting Debt Service Expenses**

Sound financial reporting is the responsibility of the Fiscal Officer and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Fiscal Officer did not correctly post all debt obligations. This was attributed to the Township not abiding by the adopted chart of accounts. The following reclassifications were agreed to by the Township and are reflected in the accompanying financial statements:

FUND	ACCOUNT TYPES	AMOUNT	DESCRIPTION
General Fund	Principal Retirement and Interest and Fiscal Charges	\$5,163	To reclassify debt payments recorded as interest and fiscal charges rather than separating principal retirement and interest and fiscal charges.
<b>Special Revenue Funds:</b>			
Road and Bridge	Principal Retirement and Interest and Fiscal Charges	59,337	To reclassify debt payments recorded as interest and fiscal charges instead of separating principal retirement and interest and fiscal charges.
Police District	Principal Retirement and Interest and Fiscal Charges	12,367	To reclassify debt payments recorded as interest and fiscal charges instead of separating principal retirement and interest and fiscal charges.
2008 Special Levy Fire Fund	Principal Retirement and Interest and Fiscal Charges	11,673	To reclassify debt payments recorded as interest and fiscal charges instead of separating principal retirement and interest and fiscal charges.
Permissive Motor Vehicle License Tax	Principal Retirement and Public Works	16,325	To reclassify a debt payment recorded as public works instead of principal retirement.

**FINDING NUMBER 2016-001  
 (Continued)**

<b>Debt Service Funds:</b>			
Fire Truck Loan	Principal Retirement and Interest and Fiscal Charges	45,033	To reclassify a debt payment recorded as interest and fiscal charges instead of separating principal retirement and interest and fiscal charges.
Ohio Public Works Commission	Principal Retirement and Interest and Fiscal Charges	11,429	To reclassify a debt payment recorded as interest and fiscal charges instead of separating principal retirement and interest and fiscal charges.

Other receipt errors were identified but were not deemed material.

Failure to consistently properly post all transactions increases the possibility the Township will not be able to identify, assemble, analyze, classify record and report its transactions correctly or to document compliance with finance related legal and contractual requirements.

The Fiscal Officer should maintain the accounting system to help enable the Township to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Township is accurately recorded and reported.

**Officials' Response:** We did not receive a response from Officials to this finding



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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  
JULY 6, 2017**