

BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Members of the Board of Trustees
Boardman Township
8299 Market St
Boardman, OH 44512

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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

August 31, 2022

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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 Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Boardman Township, Mahoning County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Boardman Township, as of and for the year ended December 31, 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements 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, 2021, or changes in net position, thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Boardman Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Boardman Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Though Boardman 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(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

Emphasis of Matter

As described in Note 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of Boardman Township. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boardman Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boardman Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boardman Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boardman Township's financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022 on our consideration of Boardman Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boardman Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boardman Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 28, 2022

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, 2021

| | General | Special Revenue | Debt Service | Capital Projects | Totals (Memorandum Only) |
|---|---------------------|---------------------|-------------------|---------------------|--------------------------------|
| Cash Receipts | | | | | |
| Property and Other Local Taxes | \$ 6,986,132 | \$ 8,475,214 | \$ - | \$ - | \$ 15,461,346 |
| Charges for Services | - | 73,251 | - | - | 73,251 |
| Licenses, Permits and Fees | 448,885 | 258,077 | - | - | 706,962 |
| Intergovernmental | 1,100,741 | 4,299,996 | - | 1,130,002 | 6,530,739 |
| Special Assessments | - | 263,428 | - | - | 263,428 |
| Earnings on Investments | 18,469 | 2,198 | - | - | 20,667 |
| Miscellaneous | 818,349 | 75,333 | - | - | 893,682 |
| <i>Total Cash Receipts</i> | <u>9,372,576</u> | <u>13,447,497</u> | <u>-</u> | <u>1,130,002</u> | <u>23,950,075</u> |
| Cash Disbursements | | | | | |
| Current: | | | | | |
| General Government | 1,797,717 | 119,520 | - | - | 1,917,237 |
| Public Safety | - | 13,383,328 | - | - | 13,383,328 |
| Public Works | 10,000 | 3,629,635 | - | - | 3,639,635 |
| Health | 283,638 | 7,074 | - | - | 290,712 |
| Capital Outlay | 17,293 | 479,200 | - | 1,344,332 | 1,840,825 |
| Debt Service: | | | | | |
| Principal Retirement | - | 77,288 | 309,295 | - | 386,583 |
| Interest and Fiscal Charges | - | 40,164 | 89,842 | - | 130,006 |
| <i>Total Cash Disbursements</i> | <u>2,108,648</u> | <u>17,736,209</u> | <u>399,137</u> | <u>1,344,332</u> | <u>21,588,326</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>7,263,928</u> | <u>(4,288,712)</u> | <u>(399,137)</u> | <u>(214,330)</u> | <u>2,361,749</u> |
| Other Financing Receipts (Disbursements) | | | | | |
| Sale of Capital Assets | - | 47,677 | - | - | 47,677 |
| Transfers In | - | 5,704,877 | 381,993 | 220,714 | 6,307,584 |
| Transfers Out | (6,307,585) | - | - | - | (6,307,585) |
| Advances In | 674,634 | 654,634 | - | 20,000 | 1,349,268 |
| Advances Out | (674,634) | (654,634) | - | (20,000) | (1,349,268) |
| Other Financing Sources | - | 8,177 | - | - | 8,177 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(6,307,585)</u> | <u>5,760,731</u> | <u>381,993</u> | <u>220,714</u> | <u>55,853</u> |
| <i>Net Change in Fund Cash Balances</i> | 956,343 | 1,472,019 | (17,144) | 6,384 | 2,417,602 |
| <i>Fund Cash Balances, January 1</i> | <u>6,321,469</u> | <u>4,009,089</u> | <u>195,302</u> | <u>21,084</u> | <u>10,546,944</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 7,277,812</u> | <u>\$ 5,481,108</u> | <u>\$ 178,158</u> | <u>\$ 27,468</u> | <u>\$ 12,964,546</u> |

See accompanying notes to the financial statements

Boardman Township
Mahoning County, Ohio
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

| | Fiduciary Fund Types | | Totals |
|---|--------------------------|--------------|----------------------|
| | Private Purpose Trust | Custodial | (Memorandum Only) |
| Additions | | | |
| Charges for Services | \$ - | \$ 1,488,887 | \$ 1,488,887 |
| Fines, Licenses and Permits for Distribution | - | 1,829 | 1,829 |
| Special Assessment Collections for Distribution | - | 227,538 | 227,538 |
| Deposits Received | - | 21,520 | 21,520 |
| Other Amounts Collected for Distribution | - | 3,000 | 3,000 |
| <i>Total Additions</i> | - | 1,742,774 | 1,742,774 |
| Deductions | | | |
| Distributions as Fiscal Agent | - | 1,423,810 | 1,423,810 |
| Distributions of Deposits | - | 257,590 | 257,590 |
| Other Distributions | - | 276,829 | 276,829 |
| <i>Total Deductions</i> | - | 1,958,229 | 1,958,229 |
| <i>Net Change in Fund Balances</i> | - | (215,455) | (215,455) |
| <i>Fund Cash Balances, January 1</i> | 4,187 | 335,753 | 339,940 |
| <i>Fund Cash Balances, December 31</i> | \$ 4,187 | \$ 120,298 | \$ 124,485 |

See accompanying notes to the financial statements

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

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, zoning enforcement 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 11-13 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 under Chapter 6119 of the Ohio Revised Code. 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 under Chapter 167 of the Ohio Revised Code. 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 under Chapter 1710 of the Ohio Revised Code. 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 under Ohio Revised Code Section 511.18. 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.

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 additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

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:

2011 Police Levy Fund – This fund receives property tax money to provide police 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:

2019 Fire Truck Fund - This fund is used to make debt service obligation payments for the 2019 fire truck.

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 significant capital project funds:

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

FEMA Project 2.04 Fund - The Township used this fund in relation to projects funded with Federal Emergency Management Agency assistance.

FEMA Project 7.05 Fund - The Township used this fund in relation to projects funded with Federal Emergency Management Agency assistance.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township's private purpose trust fund is for the benefit of certain cemetery lots. The Township does not have investment trust funds. Custodial Funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial funds account for transactions from the United States Marshall Service, Fire Loss Proceeds, Austintown-Boardman-Mahoning County Joint Communications District, the Electric Special Improvement District (ESID), and First Energy Solutions. For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The Township did not have any activity meeting these criteria for the year ended December 31, 2021. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds. The Township's United States Marshall Service, Fire Loss Proceeds, First Energy Solutions funds meet these criteria for the year ended December 31, 2021.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

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

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 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 2021 budgetary activity appears in Note 3.

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.

Investments in STAR Ohio are 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.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township.

Restricted Fund balance is *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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2021 follows:

| Fund Type | 2021 Budgeted vs. Actual Receipts | | |
|-----------------------|-----------------------------------|---------------------|-------------|
| | Budgeted Receipts | Actual Receipts* | Variance |
| General | \$8,804,761 | \$10,047,210 | \$1,242,449 |
| Special Revenue | 18,529,609 | 19,862,862 | 1,333,253 |
| Debt Service | 381,995 | 381,993 | (2) |
| Capital Projects | 1,530,458 | 1,370,716 | (159,742) |
| Private Purpose Trust | 0 | 0 | 0 |
| Total | \$29,246,823 | \$31,662,781 | \$2,415,958 |

* Includes advances in in the amount of \$674,634, \$654,634, and \$20,000 for the General, Special Revenue, and Capital Projects fund types, respectively. Advances in were not included as Budgeted Receipts per the Township.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 3 – BUDGETARY ACTIVITY (Continued)

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|-----------------------------|-------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures** | Variance |
| General | \$8,774,429 | \$9,137,217 | (\$362,788) |
| Special Revenue | 18,344,354 | 18,890,127 | (545,773) |
| Debt Service | 399,139 | 399,137 | 2 |
| Capital Projects | 1,453,634 | 1,472,762 | (19,128) |
| Private Purpose Trust | 65 | 0 | 65 |
| Total | \$28,971,621 | \$29,899,243 | (\$927,622) |

** Includes advances out in the amount of \$674,634, \$654,634, and \$20,000 for the General, Special Revenue, and Capital Projects fund types, respectively. Advances out were not included in the Appropriation Authority per the Township.

NOTE 4 – DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2021 was as follows:

| | 2021 |
|--------------------------------|--------------|
| Demand deposits | \$12,833,386 |
| STAR Ohio | 255,645 |
| Total deposits and investments | \$13,089,031 |

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

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

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 6 – RISK MANAGEMENT

Risk Pool Membership

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, 2021:

| | <u>2021</u> |
|-----------------------|---------------|
| Cash and investments | \$34,880,599 |
| Actuarial liabilities | \$ 10,601,444 |

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The Township has paid all premiums required through December 31, 2021.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Some 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent, of their gross salaries and the Township contributed an amount equaling 14 percent, of participants’ gross salaries while OPERS public safety and law enforcement members contributed 12 percent and 13 percent, respectively, of their gross salaries while the Township contributed an amount equaling 18.10 percent. The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

The Township’s certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postemployment healthcare and survivor and disability benefits.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

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

NOTE 8 – POSTEMPLOYMENT BENEFITS

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

NOTE 9 – DEBT

Debt outstanding at December 31, 2021 was as follows:

| <u>Description</u> | <u>Balance at 12/31/2021</u> | <u>Interest Rate</u> |
|-----------------------|----------------------------------|--------------------------|
| OPWC Loan # CF07R | \$ 440,775 | 0.00% |
| OPWC Loan # CF17Q | 137,152 | 0.00% |
| Boardman School Note | 115,500 | 0.00% |
| New Fire Station Bond | 2,580,555 | 2.53% |
| Vactor Truck | 74,765 | 2.73% |
| 2019 Fire Truck | 377,632 | 3.48% |
| 2020 BearCat | 124,355 | 3.77% |
| Total | <u>\$ 3,850,734</u> | |

The Ohio Public Works Commission (OPWC) loan #CF07R relates to the 2014 Various Streets Resurfacing project. The loan was issued in the amount of \$653,000 and will be paid back in a twenty-year span. There is no interest on the loan. Permissive Motor Vehicle License Tax receipts collateralize the loan and loan payments are paid out of the Permissive Motor Vehicle License Tax fund.

The Ohio Public Works Commission (OPWC) loan #CF17Q relates to the 2013 Infrastructure Repair Project. The loan was issued in the amount of \$228,587 and will be paid back in a twenty-year span. There is no interest on the loan. Loan payments are paid out of the OPWC Loan fund. The fund balance at December 31, 2021 in the OPWC Loan fund will cover the remaining payments for this loan.

In 2016, the Township entered into an agreement with the Boardman Local School District where a note was issued for land purchased in a land swap agreement between the Township and the Boardman Local School District in the amount of \$259,875. The note has a ten-year maturity. There is no interest on the note. Transfers from the General fund finance the note payments and payments are paid out of the Boardman Local School Note fund.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 9 – DEBT (Continued)

In 2017, the Township partnered with First National Bank to finance a new Fire Station issuing a General Obligation Bond in the amount of \$3,000,000. The Bond has a seven-year maturity with a 20-year amortization. After the seventh year the bond can be refinanced. The interest rate for the bond is 2.53%. Transfers from the General fund finance the bond payments and payments are paid out of the New Fire station Fund.

In 2017, the Township leased-to-purchase a Vactor truck for the road department in the amount of \$354,479. The lease has a five-year maturity. The interest rate for the lease is 2.73%. Transfers from the General fund finance the lease payments and payments are paid out of the Vactor Truck fund.

In 2019, the Township leased-to-purchase a new fire truck for the fire department in the amount of \$511,485. The lease has an eight-year maturity. The interest rate for the lease is 3.48%. Transfers from the General fund finance the lease payments and payments are paid out of the Fire Truck Loan fund.

In 2020, the Township issued notes/leased-to-purchase a BearCat for the police department to be used by the Narcotics team in the amount of \$185,000 (a \$225,000 lease with a down payment of \$40,000). The lease has a five-year maturity. The interest rate for the lease is 3.77%. Intergovernmental receipts collateralize the loan payments are paid out of the Law Enforcement Trust fund.

Amortization

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

| Year Ending December 31: | OPWC Loan CF07R | OPWC Loan CF17Q | Boardman School Note | New Fire Station Bond | Vactor Truck | 2019 FireTruck | 2020 BearCat |
|-----------------------------|--------------------|--------------------|-------------------------|--------------------------|-----------------|-------------------|-----------------|
| 2022 | 32,650 | 11,429 | 28,875 | 192,712 | 76,806 | 83,600 | 34,076 |
| 2023 | 32,650 | 11,429 | 28,875 | 192,712 | | 83,600 | 34,076 |
| 2024 | 32,650 | 11,429 | 28,875 | 192,712 | | 83,600 | 34,076 |
| 2025 | 32,650 | 11,429 | 28,875 | 192,712 | | 83,600 | 34,076 |
| 2026 | 32,650 | 11,429 | | 192,712 | | 83,600 | |
| 2027-2031 | 163,250 | 57,145 | | 963,562 | | | |
| 2032-2036 | 114,275 | 22,862 | | 963,562 | | | |
| 2037-2038 | | | | 290,814 | | | |
| Total | <u>\$440,775</u> | <u>\$137,152</u> | <u>\$115,500</u> | <u>\$3,181,498</u> | <u>\$76,806</u> | <u>418,000</u> | <u>136,304</u> |

NOTE 10 – CONTINGENT LIABILITIES

Litigation

The Township is not involved in litigation that, in the opinion of management, is expected to have a material adverse effect on the Township's financial condition.

Grants

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 11 - 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 a custodial fund to account for the receipts and disbursements of the Energy Special Improvement District.

NOTE 12 - 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. During 2019, the District became fiscally autonomous from the Township.

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. The Township has created a custodial fund to account for the receipts and disbursements of the District.

NOTE 13 - 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 14 – FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end balances of these amounts were as follows:

| Fund Balances | General | Special Revenue | Capital Projects | Total |
|--------------------------|------------------|--------------------|---------------------|------------------|
| Nonspendable: | | | | |
| Unclaimed Monies | \$60,549 | \$0 | \$0 | \$60,549 |
| Outstanding Encumbrances | 46,350 | 499,284 | 108,430 | 654,064 |
| Total | <u>\$106,899</u> | <u>\$499,284</u> | <u>\$108,430</u> | <u>\$714,613</u> |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted or committed and assigned amounts in the special revenue, debt service, and capital project funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Boardman Township
Mahoning County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 15 – COVID-19

The United States 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 continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, zero dollars were subgranted to other governments or organizations. During 2020, the Township received zero dollars from any other governments in the form of a grant.

The last of the CARES Act money was used in 2021. Zero dollars will have to be returned.

NOTE 16 – AMERICAN RESCUE PLAN ACT (ARPA)

The U.S. Treasury has allocated a distribution of money to the state, county and city level to help with the revenue loss due to the pandemic and make necessary investments in water, sewer and broadband infrastructure. Boardman has applied, and did receive ARPA funds in 2021.

NOTE 17 – NONCOMPLIANCE

The Township was in noncompliance with Ohio Revised Code Sections 5705.41(D) and 5705.42.

SUPPLEMENTARY INFORMATION

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

| FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE | PASS-THROUGH/ ENTITY NUMBER/ ADDITIONAL AWARD IDENTIFICATION | ASSISTANCE LISTING NUMBER | TOTAL EXPENDITURES OF FEDERAL AWARDS |
|--|---|--|---|
| UNITED STATES DEPARTMENT OF THE TREASURY | | | |
| <i>Passed through the Ohio Office of Budget and Management</i> | | | |
| COVID-19 - Coronavirus Relief Fund | COVID-19, HB481-CRF-Local | 21.019 | \$ 12,028 |
| <i>Direct</i> | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | COVID-19 | 21.027 | 27,219 |
| Total United States Department of the Treasury | | | 39,247 |
| UNITED STATES DEPARTMENT OF HOMELAND SECURITY | | | |
| <i>Passed through the Office of Ohio Emergency Management Agency (EMA)</i> | | | |
| Hazard Mitigation Grant Program (HMGP) | FEMA-DR-4424.03-OH | 97.039 | 114,045 |
| Hazard Mitigation Grant Program (HMGP) | FEMA-DR-4424.04-OH | 97.039 | 389,491 |
| Hazard Mitigation Grant Program (HMGP) | FEMA-DR-4424.05-OH | 97.039 | 232,558 |
| Total Hazard Mitigation Grant Program (HMGP) | | | 736,094 |
| Total United States Department of Homeland Security | | | 736,094 |
| Total Expenditures of Federal Awards | | | \$ 775,341 |

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Boardman Township under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Boardman Township, it is not intended to and does not present the financial position or changes in net position of Boardman Township. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Boardman Township has not elected to use the 10% de minimis indirect cost rate.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Members of the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total of Boardman Township, Mahoning County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated July 28, 2022, wherein we noted as described in Note 2 to the financial statements, Boardman Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Furthermore, we noted as described in Note 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boardman Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boardman Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Boardman Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Boardman Township's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001 through 2021-003 that we consider to be material weaknesses.

Boardman Township

Mahoning County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boardman Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-002 and 2021-003.

Boardman Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Boardman Township's responses to the findings identified in our audit and described in the accompanying corrective action plan. Boardman Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boardman Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boardman Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

July 28, 2022

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boardman Township's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Boardman Township's major federal programs for the year ended December 31, 2021. Boardman Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, Boardman Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Boardman Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Boardman Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Boardman Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boardman Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boardman Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Boardman Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Boardman Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Boardman Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 28, 2022

**BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| 1. SUMMARY OF AUDITOR'S RESULTS | | |
|--|---|---|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinions</i> | GAAP – Adverse Regulatory – Unmodified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i> | Yes |
| <i>(d)(1)(ii)</i> | <i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | Yes |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weaknesses reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unmodified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under 2 CFR §200.516(a)?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Program (listed):</i> | Hazard Mitigation Grant Program (HMGP) (ALN 97.039) |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: >\$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee under 2 CFR § 200.520?</i> | No |

**BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS | |
|---|----------|
| Finding Number | 2021-001 |

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

The following audit adjustments were made to correct misstatements identified in the audit of the Township's financial statements for the year ended December 31, 2021:

- An adjustment was made to increase "Intergovernmental" cash receipts by \$119,721 and increase "Capital Outlay" cash disbursements by the same amount on the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types for the Capital Projects fund type to properly account for the Township's Ohio Public Works Commission activity.
- Another adjustment was made to decrease "Miscellaneous" cash receipts by \$537,602 and increase "Charges for Services" cash receipts by \$72,977 and "Intergovernmental" cash receipts by \$464,625 on the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types for the Special Revenue fund type to account for activity of the Township's School Resource Officer and the Township's agreement with the Austintown-Boardman-Mahoning County Joint Communications District, respectively.

In addition, certain disclosures were updated to more accurately reflect the activity of the Township for the year ended December 31, 2021.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Township's activity.

We recommend Boardman Township implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements prior to presenting them to the auditors. Further, we recommend the Township review the adjustments noted during the audit and incorporate them into future reports.

**BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued) | |
|---|----------|
| Finding Number | 2021-002 |

Material Weakness/Noncompliance – Purchase Order Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate from the fiscal officer affirming that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Furthermore, “Then” and “Now” certifications may be used if the fiscal officer can certify both at the time the contract or order was made and at the time that the fiscal officer is completing his or her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance. For contracts and orders of \$3,000 or more, the Board of Trustees has 30 days from the receipt of such a certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district. Finally, strong internal control policies and procedures over nonpayroll disbursements are an important aspect of the Township’s operations to ensure payments are for proper public purposes as well as disbursements are within appropriation and available resource limits.

While the Township has certain controls in place to ensure payments appear proper and the Township is able to reconcile its bank accounts, the current procedure supersedes proper budgeting activities. Various departments throughout the Township notify accounts payable when purchases are made and then purchase orders are created. As a result, the current procedures produce an overreliance on “Then” and “Now” certifications which should only be used in limited situations or in times of unexpected and immediately necessary purchases.

By not adhering to proper budgeting activities and timely certifying amounts have been properly appropriated and are available for spending, the Township may expend more funds than it has available which could produce unallowable negative fund balances or may pay for unnecessary and/or improper purchases.

We recommend that all orders or contracts involving the disbursements of money be timely certified to ensure all monies expended are lawfully appropriated and available in the Township’s treasury or are in the process of being collected. An evaluation and redesign of the current control policies and procedures adopted by the Board and management of the Township may be beneficial and should improve overall budgetary practices. The Township should also consider only using “Then” and “Now” certificates in limited circumstances and when deemed necessary.

**BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

| 2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued) | |
|---|----------|
| Finding Number | 2021-003 |

Material Weakness/Noncompliance – Ohio Public Works Commission

Ohio Rev. Code § 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

Furthermore, AOS Bulletin 2002-004 outlines the accounting requirements for the Ohio Public Works Commission (OPWC) grants. The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the Fiscal Officer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the Fiscal Officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and expenditure in the appropriate governmental and/or enterprise capital projects fund equal to the amount disbursed by the OPWC.

The Township entered into agreements with the OPWC for various grants. The Township did not record the payments made directly to contractors as part of the OPWC project. The Township failed to report \$119,721 in Intergovernmental receipts and \$119,721 in Capital Outlay disbursements in the Public Works Commission Project fund (part of the Capital Projects fund type) for the 2020 and 2021 Infrastructure Program projects. As described in finding number 2021-001, the financial statements have been adjusted to properly report this activity.

The failure to record grant and loan activity results in understated receipts and disbursements on the financial statements and understated obligations in the financial statement notes.

To improve financial reporting, we recommend the Township establish procedures to account for all payments made directly to contractors to ensure that the financial statements reflect the receipts and disbursements for all grant and loan activity.

| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
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None

A Nice Place to Call Home
BOARDMAN TOWNSHIP

FISCAL OFFICER: William D. Leicht

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2021

| Finding Number | Year Initially Occurred | Finding Summary | Status | Additional Information |
|----------------|-------------------------|---|---|---|
| 2020-001 | 2020 | <u>Material Weakness - Financial Statement Presentation</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Various audit adjustments were made to correct misstatements identified in the audit of the Township’s financial statements for the year ended December 31, 2020. | Not Corrected | Finding repeated as 2021-001 as adjustments were necessary to properly state the Township’s activity. |
| 2020-002 | 2019 | <u>Material Weakness/Noncompliance - Certification of Available Resources</u> – The Township did not properly certify its audited beginning fund balances less outstanding encumbrances at December 31, 2019 to the appropriate authorities as required by law, nor did the Township submit any amended certificates to the County throughout the year upon notification of reduced or increased estimated receipts. | Corrective Action Taken and Finding Fully Corrected | N/A |
| 2020-003 | 2020 | <u>Material Weakness/Noncompliance - Purchase Order Noncompliance</u> - Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate from the fiscal officer affirming that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The Township’s procedure supersedes proper budgeting activities. Various departments throughout the Township notify accounts payable when purchases are made and then purchase orders are created. As a result, the procedures produce an overreliance on “Then” and “Now” certifications which should only be used in limited situations or in times of unexpected and immediately necessary purchases. | Not Corrected | Finding repeated as 2021-002 as the Township still places an overreliance on “Then” and “Now” certifications. |

www.boardmantownship.com

8299 Market Street • Boardman, Ohio 44512 • (330) 726-4190 • Fax: (330) 726-4175

Trustees: Brad Calhoun • Thomas P. Costello • Larry Moliterno

A Nice Place to Call Home
BOARDMAN TOWNSHIP

FISCAL OFFICER: William D. Leicht

**CORRECTIVE ACTION PLAN
 2 CFR § 200.511(c)
 DECEMBER 31, 2021**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|-----------------------|--|------------------------------------|--|
| 2021-001 | The corrective action will be to use the Ohio Township Manual to verify correct account codes for revenue accounts and work with road superintendent to verify payment of Public Works Recipients. | Immediately | William Leicht, Fiscal Officer and the Boardman Township Board of Trustees |
| 2021-002 | The corrective action will be to open Blanket POs for vendors that are used frequently also each department will get a PO number from the Fiscal Office before any purchase is made. | Immediately | William Leicht, Fiscal Officer and the Boardman Township Board of Trustees |
| 2021-003 | The corrective action will be to establish procedures to account for all OPWC payments made directly to contractors. | Immediately | William Leicht, Fiscal Officer and the Boardman Township Board of Trustees |

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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 9/13/2022

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