

BOARDMAN TOWNSHIP
MAHONING COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**



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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, 2022 through December 31, 2022. 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.

Keith Faber
Auditor of State
Columbus, Ohio

August 14, 2023

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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, 2022, 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, 2022 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, 2022, 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.

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.

Boardman Township
Mahoning County
Independent Auditor's Report

- 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023 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.
June 22, 2023

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, 2022

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 7,061,920	\$ 8,482,600	\$ -	\$ -	\$ 15,544,520
Licenses, Permits and Fees	502,110	271,055	-	-	773,165
Intergovernmental	1,183,703	4,402,258	-	204,706	5,790,667
Special Assessments	-	259,637	-	-	259,637
Earnings on Investments	61,851	15,955	-	-	77,806
Miscellaneous	101,298	60,788	-	-	162,086
<i>Total Cash Receipts</i>	<u>8,910,882</u>	<u>13,492,293</u>	<u>-</u>	<u>204,706</u>	<u>22,607,881</u>
Cash Disbursements					
Current:					
General Government	1,776,493	134,620	-	-	1,911,113
Public Safety	-	13,865,432	-	-	13,865,432
Public Works	10,000	3,772,916	-	-	3,782,916
Health	286,680	18,964	-	-	305,644
Capital Outlay	14,680	536,171	-	1,056,333	1,607,184
Debt Service:					
Principal Retirement	-	62,033	312,862	-	374,895
Interest and Fiscal Charges	-	4,693	80,561	-	85,254
<i>Total Cash Disbursements</i>	<u>2,087,853</u>	<u>18,394,829</u>	<u>393,423</u>	<u>1,056,333</u>	<u>21,932,438</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,823,029</u>	<u>(4,902,536)</u>	<u>(393,423)</u>	<u>(851,627)</u>	<u>675,443</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	4,175	4,149	-	-	8,324
Transfers In	-	4,133,783	478,350	874,871	5,487,004
Transfers Out	(5,487,005)	-	-	-	(5,487,005)
Advances In	766,369	857,621	-	-	1,623,990
Advances Out	(971,390)	(652,600)	-	-	(1,623,990)
Other Financing Sources	-	10,667	-	-	10,667
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,687,851)</u>	<u>4,353,620</u>	<u>478,350</u>	<u>874,871</u>	<u>18,990</u>
<i>Net Change in Fund Cash Balances</i>	1,135,178	(548,916)	84,927	23,244	694,433
<i>Fund Cash Balances, January 1</i>	<u>7,277,812</u>	<u>5,481,107</u>	<u>178,157</u>	<u>27,468</u>	<u>12,964,544</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,412,990</u>	<u>\$ 4,932,191</u>	<u>\$ 263,084</u>	<u>\$ 50,712</u>	<u>\$ 13,658,977</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, 2022

	Fiduciary Fund Types		Totals
	Private Purpose Trust	Custodial	(Memorandum Only)
Additions			
Charges for Services	\$ -	\$ 1,591,006	\$ 1,591,006
Special Assessment Collections for Distribution	-	227,537	227,537
Deposits Received	-	47,834	47,834
Other Amounts Collected for Distribution	-	116,769	116,769
<i>Total Additions</i>	-	1,983,146	1,983,146
Deductions			
Distributions as Fiscal Agent	-	1,578,435	1,578,435
Distributions of Deposits	-	23,814	23,814
Other Distributions	-	433,878	433,878
<i>Total Deductions</i>	-	2,036,127	2,036,127
<i>Net Change in Fund Balances</i>	-	(52,981)	(52,981)
<i>Fund Cash Balances, January 1</i>	4,187	120,298	124,485
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,187</u>	<u>\$ 67,317</u>	<u>\$ 71,504</u>

See accompanying notes to the financial statements

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 10-12 to the financial statements provides additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Jointly Governed Organizations:

The Township has entered into an agreement with Austintown Township and Canfield Township to form the ABC Water District under O.R.C. 6119. 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 O.R.C. 167. 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 O.R.C. 1710. 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 O.R.C. 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.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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) for all fiduciary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

2011 Police Levy Fund – This fund receives property tax money to provide police protection for Township residents.

2008 Special Levy Police Fund – This fund receives property tax money to provide police protection for Township residents.

2008 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. See note # 9 for the detail of all the obligations that are paid out by the Township. 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 fund:

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

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

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

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Funds are purely custodial in nature and are used to report 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, and the Electric Special Improvement District (ESID).

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, 2022. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds. The Township's United States Marshall Service and Fire Loss Proceeds funds meet these criteria for the year ended December 31, 2022.

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

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

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

A summary of 2022 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.

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.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Leases

The Township is the lessee in various leases (as defined by GASB 87) related to vehicles and other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

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.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of permanent funds. 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 facilitate effective cash planning and control. At year end balances of these amounts were as follows:

<u>Encumbrance Balance</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Non-spendable:					
Unclaimed Monies	60,549	-	-	-	60,549
Outstanding Encumbrances	41,368	974,263	-	24,142	1,039,773
Total	<u>101,917</u>	<u>974,263</u>	<u>-</u>	<u>24,142</u>	<u>1,100,322</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, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2022 follows:

<u>2022 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts*</u>	<u>Variance</u>
General	\$9,005,252	\$9,681,426	\$676,174
Special Revenue	17,750,135	18,498,513	748,378
Debt Service	381,994	478,350	96,356
Capital Projects	1,451,445	1,079,577	(371,868)
Private Purpose Trust	-	-	-
Total	<u>\$28,588,826</u>	<u>\$29,737,866</u>	<u>\$1,149,040</u>

*Includes advances-in in the amount of \$766,369 and \$857,621 for the General fund and Special Revenue fund type, respectively. Advances-in were not included as Budgeted Receipts per the Township.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 3 – BUDGETARY ACTIVITY (Continued)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures**	Variance
General	\$8,244,515	\$8,587,616	(\$343,101)
Special Revenue	19,806,337	20,021,692	(215,355)
Debt Service	393,423	393,423	-
Capital Projects	1,119,727	1,080,474	39,253
Private Purpose Trust	-	-	-
Total	\$29,564,002	\$30,083,205	(\$519,203)

**Includes advances-out in the amount of \$971,390 and \$652,600 for the General Fund and Special Revenue fund type, 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 was as follows:

	2022
Demand deposits	\$13,470,463
STAR Ohio	260,018
Total deposits and investments	\$13,730,481

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.

At December 31, 2022, \$6,710,745 of deposits were not insured or collateralized as the Township's financial institutions were approved for a reduced collateral rate of 50% through the OPCS.

Investments

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

NOTE 5 – PROPERTY TAXES

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 5 – PROPERTY TAXES (Continued)

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 MEMBERSHIP

Boardman 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 (local entity'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 (the latest information available):

	2021
Assets & Investments	\$34,880,599
Liabilities	10,601,444

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include 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, 2022.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Police and Fire Retirement System

The Township’s certified Fire Fighters 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.

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 24 percent of full-time fire fighters’ wages. The Township has paid all contributions required through December 31, 2022.

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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expense.

NOTE 9 – DEBT

Debt outstanding on December 31, 2022 was as follows:

<u>Description</u>	<u>Balance at</u> <u>12/31/2022</u>	<u>Interest</u> <u>Rate</u>
OPWC Loan # CF07R	\$ 408,125	0.00%
OPWC Loan # CF17Q	125,723	0.00%
Boardman School Note	86,625	0.00%
New Fire Station Bond	2,453,206	2.53%
2019 Fire Truck	307,188	3.48%
2020 BearCat	94,972	3.77%
Total	<u>\$ 3,475,839</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.

Boardman Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2022

NOTE 9 – DEBT (Continued)

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, 2022 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.

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 20-year maturity. 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. This obligation was paid off during 2022.

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	2019 FireTruck	2020 BearCat
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	32,650	11,429		192,712		
2028-2032	163,250	57,145		963,560		
2033-2037	81,625	11,433		963,560		
2038				96,356		
Total	<u>\$408,125</u>	<u>\$125,723</u>	<u>\$86,625</u>	<u>\$2,987,036</u>	<u>334,400</u>	<u>102,228</u>

NOTE 10 - COMPONENT UNIT

The Township signed a petition that was executed and delivered by Southern Park Mall, LLC, and has created the Energy Special Improvement District. The District was formed to provide the financing for public improvements of Southern Park Mall, LLC parcels of real property and will promote the welfare of the people of the Township by providing energy improvements and promoting energy efficiency. The Township will appoint the Township Administrator and Fiscal Officer to the Board of Directors. The Township has created a custodial 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, 2022

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. 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 12 - RELATED ORGANIZATION

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

NOTE 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the emergency measures may 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 is 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.

NOTE 14 - (ARPA) American Rescue Plan Act

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 Township has applied and did receive ARPA funds in 2021 and 2022.

NOTE 15 – 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.

**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, 2022 and the related notes to the financial statements and have issued our report thereon dated June 22, 2023, 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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*

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.

June 22, 2023

A Nice Place to Call Home
BOARDMAN TOWNSHIP

FISCAL OFFICER: William D. Leicht

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	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, 2021.	Partially Corrected	Repeated as a Management Letter Comment.
2021-002	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.	Corrective Action Taken and Finding Fully Corrected	N/A
2021-003	2021	<u>Material Weakness/Noncompliance – Ohio Public Works Commission</u> - 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. 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.	Corrective Action Taken and Finding Fully Corrected	N/A

www.boardmantownship.com

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

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 8/24/2023

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