



**Auditor of State
Betty Montgomery**

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

We have audited the accompanying financial statements of Boardman Township, Mahoning County (the Township) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2003, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Betty Montgomery
Auditor of State

November 30, 2003

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$5,729,319	\$3,431,951		9,161,270
Intergovernmental	4,863,434	456,331	16,450	5,336,215
Special Assessments		243,472		243,472
Licenses, Permits, and Fees	108,292	69,034		177,326
Earnings on Investments	182,975	18,258	6,131	207,364
Other Revenue	528,081	750,843		1,278,924
	11,412,101	4,969,889	22,581	16,404,571
Cash Disbursements:				
Current:				
General Government	1,210,537	95,265		1,305,802
Public Safety	6,963,261	2,260,125		9,223,386
Public Works	496,524	2,597,340		3,093,864
Health	275,061			275,061
Capital Outlay	727,769		56,479	784,248
	9,673,152	4,952,730	56,479	14,682,361
Total Receipts Over/(Under) Disbursements	1,738,949	17,159	(33,898)	1,722,210
Other Financing Receipts and (Disbursements):				
Transfers-In		34,500	232,040	266,540
Advances-In	250,000	250,000		500,000
Transfers-Out	(266,540)			(266,540)
Advances-Out	(250,000)	(250,000)		(500,000)
	(266,540)	34,500	232,040	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,472,409	51,659	198,142	1,722,210
Fund Cash Balances, January 1	8,902,993	3,232,917	663,296	12,799,206
Fund Cash Balances, December 31	\$10,375,402	\$3,284,576	\$861,438	\$14,521,416
Reserve for Encumbrances, December 31	\$307,057	\$123,124	\$25,833	\$456,014

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Earnings on Investments	\$9,726		\$9,726
Total Operating Cash Receipts	9,726	0	9,726
Fund Cash Balances, January 1	555,086	11,160	566,246
Fund Cash Balances, December 31	\$564,812	\$11,160	\$575,972
Reserve for Encumbrances, December 31	\$0	\$0	\$0

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Local Taxes	\$5,848,436	\$3,492,947		\$9,341,383
Intergovernmental	3,827,216	443,800	235,514	4,506,530
Special Assessments		324,147		324,147
Licenses, Permits, and Fees	89,671	85,933		175,604
Earnings on Investments	407,353	38,041	26,108	471,502
Other Revenue	492,537	505,671		998,208
				998,208
Total Cash Receipts	10,665,213	4,890,539	261,622	15,817,374
Cash Disbursements:				
Current:				
General Government	1,078,382	94,777		1,173,159
Public Safety	6,658,285	2,118,842		8,777,127
Public Works	444,264	2,495,302		2,939,566
Health	271,167	817		271,984
Capital Outlay	689,128		267,594	956,722
				956,722
Total Cash Disbursements	9,141,226	4,709,738	267,594	14,118,558
Total Receipts Over/(Under) Disbursements	1,523,987	180,801	(5,972)	1,698,816
Other Financing Receipts and (Disbursements):				
Transfers-In	102,956	46,000	67,324	216,280
Advances-In	497,391	432,291	65,100	994,782
Transfers-Out	(99,574)	(13,990)	(102,716)	(216,280)
Advances-Out	(497,391)	(432,291)	(65,100)	(994,782)
				(994,782)
Total Other Financing Receipts/(Disbursements)	3,382	32,010	(35,392)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,527,369	212,811	(41,364)	1,698,816
Fund Cash Balances, January 1	7,375,624	3,020,106	704,660	11,100,390
Fund Cash Balances, December 31	\$8,902,993	\$3,232,917	\$663,296	\$12,799,206
Reserve for Encumbrances, December 31	\$170,863	\$46,597	\$17,700	\$235,160

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
	Operating Cash Receipts:		
Earnings on Investments	\$24,605		\$24,605
Miscellaneous	0	361	361
 Total Operating Cash Receipts	 24,605	 361	 24,966
 Fund Cash Balances, January 1	 530,481	 10,799	 541,280
 Fund Cash Balances, December 31	 \$555,086	 \$11,160	 \$566,246
 Reserve for Encumbrances, December 31	 \$0	 \$0	 \$0

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Boardman Township, Mahoning County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, police and fire protection and emergency medical services. On October 12, 1999, the Board of Trustees passed a resolution that was to take effect on November 11, 1999, establishing Boardman Township as a "limited home rule government" and "urban township" as authorized by Chapter 504 of the Ohio Revised Code. This enabled the Township to exercise limited powers of local self-government and limited police powers.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

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

Certificates of deposit and U.S. Treasury Notes are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

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

1. General Fund

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. Special Revenue Funds

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

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

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

3. Capital Project Funds

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

Tod Avenue Fund – The Township received a grant from Mahoning County to make improvements to Tod Avenue.

Applewood Acres Retention Fund – The Township received a grant from Mahoning County to add a retention system to the Applewood Acres development.

Erksine Avenue Fund – The Township received a grant from the State of Ohio to improve Erksine Avenue.

Maple Avenue Safety Upgrade Fund - The Township received a grant from the State of Ohio to widen the road at the intersection of Maple and South Avenue.

4. Fiduciary Funds (Trust and Agency Funds)

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

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

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

E. Budgetary Process

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Demand deposits	\$108,304	\$106,658
Certificates of deposit	11,410,300	10,520,002
Total deposits	11,518,604	10,626,660
STAR Ohio	1,734,130	1,702,198
Repurchase agreement	1,844,654	1,036,594
Total investments	3,578,784	2,738,792
Total deposits and investments	\$15,097,388	\$13,365,452

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$11,301,736	\$11,412,101	\$110,365
Special Revenue	4,986,774	5,004,389	17,615
Capital Projects	277,251	254,621	(22,630)
Fiduciary	9,662	9,726	64
Total	\$16,575,423	\$16,680,837	\$105,414

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,289,937	\$10,246,749	\$2,043,188
Special Revenue	5,446,447	5,075,854	370,593
Capital Projects	884,481	82,312	802,169
Fiduciary	0	0	0
Total	\$18,620,865	\$15,404,915	\$3,215,950

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,275,569	\$10,768,169	\$492,600
Special Revenue	5,368,827	4,936,539	(432,288)
Capital Projects	493,458	328,946	(164,512)
Fiduciary	24,966	24,966	0
Total	\$16,162,820	\$16,058,620	(\$104,200)

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,678,479	\$9,411,663	\$2,266,816
Special Revenue	5,042,518	4,770,325	272,193
Capital Projects	500,250	388,010	112,240
Fiduciary	0	0	0
Total	\$17,221,247	\$14,569,998	\$2,651,249

4. PROPERTY TAX

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

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

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

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

5. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Township has paid all contributions required through December 31, 2002.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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

7. CONTINGENT LIABILITIES

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

We have audited the accompanying financial statements of Boardman Township, Mahoning County (the Township) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated November 30, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated November 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated November 30, 2003.

Boardman Township
Mahoning County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

November 30, 2003



**Auditor of State
Betty Montgomery**

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BOARDMAN TOWNSHIP

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 6, 2004**