



Dave Yost • Auditor of State

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Boardman Township, Mahoning County, (the "Township") as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Boardman Township, Mahoning as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 27, 2014

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	5,565,995	8,168,222			\$13,734,217
Licenses, Permits and Fees	414,981	74,211			489,192
Intergovernmental	3,563,785	1,278,242			4,842,027
Special Assessments		281,607			281,607
Earnings on Investments	10,251	3,320			13,571
Miscellaneous	172,820	245,402			418,222
<i>Total Cash Receipts</i>	<u>9,727,832</u>	<u>10,051,004</u>			<u>19,778,836</u>
Cash Disbursements					
Current:					
General Government	1,569,764				1,569,764
Public Safety		11,162,783			11,162,783
Public Works	4,999	2,828,362			2,833,361
Health	272,522				272,522
Capital Outlay	13,861	415,769		1,027,354	1,456,984
Debt Service:					
Interest and Fiscal Charges			57,271		57,271
<i>Total Cash Disbursements</i>	<u>1,861,146</u>	<u>14,406,914</u>	<u>57,271</u>	<u>1,027,354</u>	<u>17,352,685</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>7,866,686</u>	<u>(4,355,910)</u>	<u>(57,271)</u>	<u>(1,027,354)</u>	<u>2,426,151</u>
Other Financing Receipts (Disbursements)					
Transfers In		4,280,171	369,592	209,596	4,859,359
Transfers Out	(4,859,359)				(4,859,359)
Advances In	1,364,029	446,529		917,500	2,728,058
Advances Out	(1,364,029)	(446,529)		(917,500)	(2,728,058)
Other Financing Sources		119,350		817,750	937,100
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(4,859,359)</u>	<u>4,399,521</u>	<u>369,592</u>	<u>1,027,346</u>	<u>937,100</u>
<i>Net Change in Fund Cash Balances</i>	3,007,327	43,611	312,321	(8)	3,363,251
<i>Fund Cash Balances, January 1</i>	<u>1,021,245</u>	<u>2,305,882</u>		<u>54</u>	<u>3,327,181</u>
Fund Cash Balances, December 31					
Nonspendable	22,089				22,089
Restricted		1,386,202	42,729	46	1,428,977
Committed		963,291	269,592		1,232,883
Unassigned (Deficit)	4,006,483				4,006,483
<i>Fund Cash Balances, December 31</i>	<u>4,028,572</u>	<u>\$2,349,493</u>	<u>\$312,321</u>	<u>\$46</u>	<u>\$6,690,432</u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Fiduciary Fund Types</u>		<u>Totals</u>
	<u>Agency</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts			
Fines and Forfeitures	\$1,410		\$1,410
Miscellaneous	48		48
<i>Total Operating Cash Receipts</i>	<u>1,458</u>		<u>1,458</u>
Operating Cash Disbursements			
Supplies and Materials	2,969		2,969
Other		81	81
<i>Total Operating Cash Disbursements</i>	<u>2,969</u>	<u>81</u>	<u>3,050</u>
<i>Operating Income (Loss)</i>	<u>(1,511)</u>	<u>(81)</u>	<u>(1,592)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(1,511)	(81)	(1,592)
<i>Net Change in Fund Cash Balances</i>	(1,511)	(81)	(1,592)
<i>Fund Cash Balances, January 1</i>	<u>44,760</u>	<u>4,749</u>	<u>49,509</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$43,249</u></u>	<u><u>\$4,668</u></u>	<u><u>\$47,917</u></u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$5,873,585	\$5,463,942		\$11,337,527
Licenses, Permits and Fees	330,427	76,779		407,206
Intergovernmental	2,304,064	1,013,408		3,317,472
Special Assessments		277,148		277,148
Earnings on Investments	9,109	4,901		14,010
Miscellaneous	174,612	537,810		712,422
<i>Total Cash Receipts</i>	<u>8,691,797</u>	<u>7,373,988</u>		<u>16,065,785</u>
Cash Disbursements				
Current:				
General Government	1,384,947			1,384,947
Public Safety		11,174,299		11,174,299
Public Works	5,000	2,978,997		2,983,997
Health	294,360			294,360
Capital Outlay	-	92,647	22,046	114,693
<i>Total Cash Disbursements</i>	<u>1,684,307</u>	<u>14,245,943</u>	<u>22,046</u>	<u>15,952,296</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>7,007,490</u>	<u>(6,871,955)</u>	<u>(22,046)</u>	<u>113,489</u>
Other Financing Receipts (Disbursements)				
Transfers In		6,191,132	22,100	6,213,232
Transfers Out	(6,213,232)			(6,213,232)
Advances In	15,265	15,265		30,530
Advances Out	(15,265)	(15,265)		(30,530)
Other Financing Sources	36,178	30,890		67,068
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(6,177,054)</u>	<u>6,222,022</u>	<u>22,100</u>	<u>67,068</u>
<i>Net Change in Fund Cash Balances</i>	830,436	(649,933)	54	180,557
<i>Fund Cash Balances, January 1</i>	<u>190,809</u>	<u>2,955,815</u>		<u>3,146,624</u>
Fund Cash Balances, December 31				
Nonspendable	22,089			22,089
Restricted		2,305,882		2,305,882
Committed			54	54
Unassigned (Deficit)	999,156			999,156
<i>Fund Cash Balances, December 31</i>	<u>\$1,021,245</u>	<u>\$2,305,882</u>	<u>\$54</u>	<u>\$3,327,181</u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Fiduciary Fund Types		Totals
	Agency	Private Purpose Trust	(Memorandum Only)
Operating Cash Receipts			
Fines and Forfeitures	\$3,462		\$3,462
Miscellaneous	19,209		19,209
<i>Total Operating Cash Receipts</i>	<u>22,671</u>		<u>22,671</u>
Operating Cash Disbursements			
Other			
<i>Total Operating Cash Disbursements</i>			
<i>Operating Income (Loss)</i>	<u>22,671</u>		<u>22,671</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	22,671		22,671
<i>Net Change in Fund Cash Balances</i>	22,671		22,671
<i>Fund Cash Balances, January 1</i>	<u>22,089</u>	<u>4,749</u>	<u>26,838</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$44,760</u></u>	<u><u>\$4,749</u></u>	<u><u>\$49,509</u></u>

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

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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, 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.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. 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.

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

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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:

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

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

Special Levy Fire Fund - The fund receives property tax money to provide fire protection for Township residents.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Debt Service Fund – The Township uses this fund to make necessary capital lease payments.

4. 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 Project Fund – The Township uses this fund to make necessary capital improvements with intergovernmental receipts and transfers from the General Fund.

5. Fiduciary Funds

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

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency fund accounts for money received from the U.S. Marshall Service.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. 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 re-appropriated.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. 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.

3. 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.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. 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.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

	2012	2011
Demand deposits	\$5,726,239	\$2,650,263
Certificates of deposit	3,242	3,239
Other time deposits (savings and NOW accounts)	994,624	708,956
Total deposits	6,724,105	3,362,458
STAR Ohio	14,243	14,232
Total investments	14,243	14,232
Total deposits and investments	\$6,738,348	\$3,376,690

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township; or collateralized by the financial institution's public entity deposit pool.

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

2. Equity in Pooled Deposits and Investments – (Continued)

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 and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,749,076	\$9,727,832	(\$1,021,244)
Special Revenue	16,637,057	14,450,525	(2,186,532)
Debt Service	369,592	369,592	0
Capital Projects	1,027,400	1,027,346	(54)
Trust and Agency	31,709	1,458	(30,251)
Total	\$28,814,834	\$25,576,753	(\$3,238,081)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,741,742	\$6,720,505	\$21,237
Special Revenue	14,694,088	14,406,914	287,174
Debt Service	57,271	57,271	0
Capital Projects	1,027,354	1,027,354	0
Trust and Agency	3,600	3,050	550
Total	\$22,524,055	\$22,215,094	\$308,961

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,726,377	\$8,727,975	\$1,598
Special Revenue	16,349,265	13,596,010	(2,753,255)
Capital Projects	22,100	22,100	0
Trust and Agency	30,300	22,671	(7,629)
Total	\$25,128,042	\$22,368,756	(\$2,759,286)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,552,666	\$7,897,539	\$655,127
Special Revenue	14,340,036	14,245,943	94,093
Capital Projects	56,667	22,046	34,621
Trust and Agency	100	0	100
Total	\$22,949,469	\$22,165,528	\$783,941

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

4. Property Tax

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

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

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. Debt

Debt outstanding at December 31, 2012 was as follows:

	Principal	Interest Rate
2012 Vehicle Capital Lease	\$171,444	3%
2012 Fire Truck Capital Lease	762,891	3%
Total	\$934,335	

The Township purchased several vehicles and one fire truck.

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

	2012 Vehicle Capital Lease	2012 Fire Truck Capital Lease
Year ending December 31:		
2013	\$46,532	\$113,542
2014	46,532	113,542
2015	46,532	113,542
2016	46,532	113,542
2017	0	113,542
2018-2022	0	283,855
Total	\$186,128	\$851,565

**BOARDMAN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

6. Retirement Systems (Continued)

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2012, OP&F participants contributed 10% of their wages. For 2011 and 2012, the Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. For 2011 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2012.

7. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

The Township is uninsured for the following risks:

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

8. Related Organizations

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.

9. Jointly Governed Organization

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 the 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.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Boardman Township
Mahoning County
8299 Market Street
Boardman, Ohio 44512

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Boardman Township, Mahoning County, (the "Township") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2014 wherein we noted the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion.

The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

January 27, 2014



Dave Yost • Auditor of State

BOARDMAN TOWNSHIP

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 13, 2014**