



Dave Yost • Auditor of State

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY
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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Boardman Township Park District
Mahoning County
375 Boardman-Poland Road
Boardman, Ohio 44512

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Boardman Township Park District, Mahoning County, Ohio (the District) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

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

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Boardman Township Park District, Mahoning County as of December 31, 2017 and 2016, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2018, on our consideration of the District'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 District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

December 7, 2018

BOARDMAN TOWNSHIP PARK DISTRICT
Mahoning County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017*

	General	Special Revenue	Capital Projects	Private Purpose Trust Fund	Totals (Memorandum Only)
Cash Receipts					
General Property Tax - Real Estate	\$765,694				\$765,694
Local Government Assistance	39,438				39,438
Intergovernmental	94,061				94,061
Commissions, Donations and Grants	18,478	\$5,000			23,478
Program Sponsorships	14,165				14,165
Charges for Services	370,120				370,120
Earnings on Investments	3,526	3,644		\$1,829	8,999
Other Receipts	27,286		\$35		27,321
<i>Total Cash Receipts</i>	<u>1,332,768</u>	<u>8,644</u>	<u>35</u>	<u>1,829</u>	<u>1,343,276</u>
Cash Disbursements					
Current:					
Conservation/Recreation:					
Salaries/Wages	589,841				589,841
Fringe Benefits	228,435				228,435
Materials and Supplies	44,664	2,293		181	47,138
Capital Improvement & Equipment	25,038	26,881	62,392		114,311
Contracts - Repair	59,996	20,206		1,925	82,127
Contracts - Services				615	
Other	20,493				20,493
Programs	94,566				94,566
Insurance	28,874				28,874
Utilities	86,958	1,931		4,065	92,954
Auditor Fees	13,604				13,604
Debt Service:					
Redemption of Principal			26,115		26,115
Interest			174		174
<i>Total Cash Disbursements</i>	<u>1,192,469</u>	<u>51,311</u>	<u>88,681</u>	<u>6,786</u>	<u>1,339,247</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>140,299</u>	<u>(42,667)</u>	<u>(88,646)</u>	<u>(4,957)</u>	<u>4,029</u>
Other Financing Receipts (Disbursements)					
Transfers In			88,606		88,606
Transfers Out	(88,606)				(88,606)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(88,606)</u>	<u>0</u>	<u>88,606</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	51,693	(42,667)	(40)	(4,957)	4,029
<i>Fund Cash Balances, January 1</i>	<u>412,492</u>	<u>494,549</u>	<u>83</u>	<u>122,808</u>	<u>1,029,932</u>
Fund Cash Balances, December 31	464,185	451,882	43	117,851	1,033,961
Restricted		451,882		117,851	569,733
Assigned	450,509				450,509
Unassigned (Deficit)	13,676		43		13,719
<i>Fund Cash Balances, December 31</i>	<u>\$464,185</u>	<u>\$451,882</u>	<u>\$43</u>	<u>\$117,851</u>	<u>\$1,033,961</u>

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

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**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio (ORC 511.18 et seq.) establish the rights and privileges of the Boardman Township Park District, Mahoning County, (the "District") as a body corporate and politic. The Boardman Township Commissioners of Mahoning County appoints a three-member Board of Park Commissioners to govern the District. The powers and duties of the Commissioners are delineated under ORC Section 511.23, which are stated on pages 10-12 of this document. The Commissioners are authorized to acquire, develop, protect, maintain, and improve parklands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Commissioners may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

Revenue to operate, maintain, and improve the District is derived from three (3) primary sources: 1) receipts of taxes levied upon all real estate property within the Township of Boardman, 2) receipts from the Local Government Fund, including reimbursements for HB64 and CAT, 3) receipts from user fees for the facilities and programs of the District. Currently, the District receives the revenue from two (2) voted Real Property Tax Levies, 0.3 mills and 0.6 mills, and one (1) non-voted/inside millage Real Property Tax Levy of 0.1 mills. The District also receives revenue generated from sponsorships, donations, reimbursements, and interest.

The revenue delineated above is deposited in the General Fund of the District.

The District's management believes these financial statements present all activities for which the District is financially accountable. The District prepared its financial statements using accounting practices the Auditor of State prescribes or permits, rather than Generally Accepted Accounting Principles (GAAP).

B. Accounting Basis

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

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

C. Deposit and Investments

The District'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 District values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. The District for the Fiscal Year ending December 31, 2017, did not have any certificates of deposits, nor did it have any money market mutual funds.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

1. **General Fund** - The General Fund reports all financial resources except those required to be accounted for in another fund. (The Green Oasis activity is also included in the general fund as activity is for the preservation, maintenance and improvements to the District and the landscape of the District.)
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 District had the following significant Special Revenue Funds:
 - ***The Jenkins SP Stables Trust Fund*** is for the preservation, maintenance, and renovation of Southern Park Stables, a local historical landmark owned by the District.
 - ***Nicholas H. Chengelis Trust Fund*** is to be used for the purchase, planting and caring of new and existing trees.
3. **Capital Fund** - These funds account for receipts restricted to acquiring or constructing major capital projects or equipment (except those financed through enterprise or trust funds). The District had the following significant capital projects fund:
 - ***Capital Projects Fund*** - This fund accounts for the receipt of grants, donations, as well as the expenditure of funds relating to the acquisition or construction of major capital projects within the Park District.
4. **Private-Purpose Trust Fund** – These funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the District’s own programs.

The District has the following private purpose trust fund:

- ***The Fenton Meredith Memorial Fund FBO St. James Meeting House*** is for the preservation, maintenance, and renovation of St. James Meeting House, a historical landmark located on District property.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The District Board 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.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District 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 2017 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District 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

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners 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.

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 District Commissioners or a District official delegated that authority by resolution, or by State Statute.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District 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 District 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 District 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:

Deposits	
Demand deposits	<u>\$916,111</u>
Investments	
Fenton Meredith Bequest (at cost, fair value was \$117,019)	<u>117,850</u>
Total deposits and investments	<u><u>\$1,033,961</u></u>

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

Investments: The District utilizes The Community Foundation of the Mahoning Valley (CFMV) to maintain and invest monies received for the Fenton Meredith Bequest and the Capital Campaign. CFMV maintains records identifying the District as owner of all investments.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,370,859	\$1,332,768	(\$38,091)
Special Revenue	8,183	8,644	461
Capital Projects	177,912	88,641	(89,271)
Private Purpose Trust	1,300	1,829	529
Total	\$1,558,254	\$1,431,882	(\$126,372)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,775,934	\$1,205,945	\$569,989
Special Revenue	479,472	51,311	428,161
Capital Projects	177,995	88,681	89,314
Permanent	124,189	6,768	117,421
Total	\$ 2,557,590	\$1,352,705	\$1,204,885

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Commissioners 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 District.

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

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2016, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

7. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the District's share of these unpaid claims collectible in future years is approximately \$17,000.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

7. RISK MANAGEMENT (Continued)

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

<p><u>2017 Contributions to PEP</u> \$27,637</p>
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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BOARDMAN TOWNSHIP PARK DISTRICT
Mahoning County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016*

	General	Special Revenue	Capital Projects	Private Purpose Trust Fund	Totals (Memorandum Only)
Cash Receipts					
General Property Tax - Real Estate	\$767,615				\$767,615
Local Government Assistance	39,027				39,027
Intergovernmental	99,044				99,044
Commissions, Donations and Grants	16,029	\$2,001		\$30	18,060
Program Sponsorships	15,050				15,050
Charges for Services	364,339				364,339
Earnings on Investments	3,076	2,601		1,551	7,228
Other Receipts	45,945				45,945
<i>Total Cash Receipts</i>	<u>1,350,125</u>	<u>4,602</u>	<u>\$0</u>	<u>1,581</u>	<u>1,356,308</u>
Cash Disbursements					
Current:					
Conservation/Recreation:					
Salaries/Wages	581,554				581,554
Fringe Benefits	230,227				230,227
Materials and Supplies	43,076	3,203		195	46,474
Capital Improvement & Equipment	15,264	44,704	67,559		127,527
Contracts - Repair	43,073	19,806		5,645	68,524
Contracts - Services				853	
Other	17,887				17,887
Programs	90,047				90,047
Insurance	24,455				24,455
Utilities	79,225	1,599		4,160	84,984
Auditor Fees	26,201				26,201
Debt Service:					
Redemption of Principal			179,553		179,553
Interest			3,010		3,010
<i>Total Cash Disbursements</i>	<u>1,151,009</u>	<u>69,312</u>	<u>250,122</u>	<u>10,853</u>	<u>1,481,296</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>199,116</u>	<u>(64,710)</u>	<u>(250,122)</u>	<u>(9,272)</u>	<u>(124,988)</u>
Other Financing Receipts (Disbursements)					
Transfers In			250,122		250,122
Transfers Out	(250,122)				(250,122)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(250,122)</u>	<u>0</u>	<u>250,122</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(51,006)	(64,710)	0	(9,272)	(124,988)
<i>Fund Cash Balances, January 1</i>	<u>463,498</u>	<u>559,259</u>	<u>83</u>	<u>132,080</u>	<u>1,154,920</u>
Fund Cash Balances, December 31	412,492	494,549	83	122,808	1,029,932
Restricted		494,549		122,808	617,357
Assigned	369,233				369,233
Unassigned (Deficit)	43,259		83		43,342
<i>Fund Cash Balances, December 31</i>	<u>\$412,492</u>	<u>\$494,549</u>	<u>\$83</u>	<u>\$122,808</u>	<u>\$1,029,932</u>

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

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**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio (ORC 511.18 et seq.) establish the rights and privileges of the Boardman Township Park District, Mahoning County, (the "District") as a body corporate and politic. The Boardman Township Commissioners of Mahoning County appoints a three-member Board of Park Commissioners to govern the District. The powers and duties of the Commissioners are delineated under ORC Section 511.23, which are stated on pages 10-12 of this document. The Commissioners are authorized to acquire, develop, protect, maintain, and improve parklands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Commissioners may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

Revenue to operate, maintain, and improve the District is derived from three (3) primary sources: 1) receipts of taxes levied upon all real estate property within the Township of Boardman, 2) receipts from the Local Government Fund, including reimbursements for HB64 and CAT, 3) receipts from user fees for the facilities and programs of the District. Currently, the District receives the revenue from two (2) voted Real Property Tax Levies, 0.3 mills and 0.6 mills, and one (1) non-voted/inside millage Real Property Tax Levy of 0.1 mills. The District also receives revenue generated from sponsorships, donations, reimbursements, and interest.

The revenue delineated above is deposited in the General Fund of the District.

The District's management believes these financial statements present all activities for which the District is financially accountable. The District prepared its financial statements using accounting practices the Auditor of State prescribes or permits, rather than Generally Accepted Accounting Principles (GAAP).

B. Accounting Basis

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

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

C. Deposits and Investments

The District'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 District values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. The District for the Fiscal Year ending December 31, 2017, did not have any certificates of deposits, nor did it have any money market mutual funds.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

1. **General Fund** - The General Fund reports all financial resources except those required to be accounted for in another fund. (The Green Oasis activity is also included in the general fund as activity is for the preservation, maintenance and improvements to the District and the landscape of the District.)
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 District had the following significant Special Revenue Funds:
 - ***The Jenkins SP Stables Trust Fund*** is for the preservation, maintenance, and renovation of Southern Park Stables, a local historical landmark owned by the District.
 - ***Nicholas H. Chengelis Trust Fund*** is to be used for the purchase, planting and caring of new and existing trees.
3. **Capital Fund** - These funds account for receipts restricted to acquiring or constructing major capital projects or equipment (except those financed through enterprise or trust funds). The District had the following significant capital projects fund:
 - ***Capital Projects Fund*** - This fund accounts for the receipt of grants, donations, as well as the expenditure of funds relating to the acquisition or construction of major capital projects within the Park District.
4. **Private-Purpose Trust Fund** – These funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the District's own programs.

The District has the following private purpose trust fund:

- ***The Fenton Meredith Memorial Fund FBO St. James Meeting House*** is for the preservation, maintenance, and renovation of St. James Meeting House, a historical landmark located on District property.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The District Board 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.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District 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 2016 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District 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

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners 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.

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 District Commissioners or a District official delegated that authority by resolution, or by State Statute.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. 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 District 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 District 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 District 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:

Deposits	
Demand deposits	<u>\$907,124</u>
Investments	
Fenton Meredith Bequest (at cost, fair value was \$123,029)	<u>122,808</u>
Total deposits and investments	<u><u>\$1,029,932</u></u>

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

Investments: The District utilizes The Community Foundation of the Mahoning Valley (CFMV) to maintain and invest monies received for the Fenton Meredith Bequest and the Capital Campaign. CFMV maintains records identifying the District as owner of all investments.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,394,064	\$1,350,125	(\$43,939)
Special Revenue	4,618	4,602	(16)
Capital Projects	304,700	250,122	(54,578)
Permanent	14	1,581	1,567
Total	\$1,703,396	\$1,606,430	(\$96,966)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,854,576	\$1,408,548	\$446,028
Special Revenue	562,910	92,574	470,336
Capital Projects	304,783	250,122	54,661
Permanent	133,550	10,853	122,697
Total	\$2,855,819	\$1,762,097	\$1,093,722

4. PROPERTY TAX

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

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

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

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Revenue Anticipation Note	\$26,115	2.625%

The District issued \$300,000 of Township Park Facilities Revenue Notes in 2013, bearing an interest rate of 2.625% in anticipation of the receipt of revenues of the District for the purpose of refunding notes previously issued to finance improvements to the Park and recreational facilities.

The District is required to make monthly payments of \$6,596 until the maturity date of April 1, 2017.

For the year ending, December 31, 2017, amortization of the above debt, including interest, is scheduled as follows:

<u>RAN</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$26,115	\$174	\$26,289

6. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2016, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2016.

7. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**BOARDMAN TOWNSHIP PARK DISTRICT
MAHONING COUNTY**

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

7. RISK MANAGEMENT (Continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016.

	<u>2016</u>
Assets	\$42,182,281
Liabilities	<u>(13,396,700)</u>
Net Position	<u>\$28,785,581</u>

At December 31, 2016 the liabilities above include approximately 12.0 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Government's share of these unpaid claims collectible in future years is approximately \$15,000.

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

<u>2016 Contributions to PEP</u> \$24,455

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

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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 Park District
Mahoning County
375 Boardman-Poland Road
Boardman, Ohio 44512

To the Board of Park Commissioners:

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 Park District, Mahoning County, (the District) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated December 7, 2018, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District'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 District'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 District'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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 7, 2018



Dave Yost • Auditor of State

BOARDMAN TOWNSHIP PARK DISTRICT

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
DECEMBER 27, 2018**