



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CHAMPION TOWNSHIP  
TRUMBULL COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Champion Township  
Trumbull County  
5315 Craig Ave.  
Warren, OH 44483

To the Board of Trustees:

We have audited the accompanying financial statements of Champion Township, Trumbull County, (the Township) as of and for the years ended December 31, 2001 and 2000. 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, 2001 and 2000, 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 May 15, 2002 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 grants. 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.

This report is intended solely for the information and use of the audit committee, 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

May 15, 2002

**CHAMPION TOWNSHIP  
TRUMBULL 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**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$65,485	\$1,147,344	\$1,212,829
Intergovernmental	278,157	230,902	509,059
Special Assessments		16,329	16,329
Charges for Services		37,404	37,404
Licenses, Permits, and Fees	41,237	22,892	64,129
Fines, Forfeitures, and Penalties	7,946		7,946
Earnings on Investments	88,221	2,402	90,623
Other Revenue	77,621	29,495	107,116
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	558,667	1,486,768	2,045,435
<b>Cash Disbursements:</b>			
Current:			
General Government	254,594	25,564	280,158
Public Safety	6,900	1,188,733	1,195,633
Public Works	8,975	543,576	552,551
Health	20,315	25,201	45,516
Human Services			0
Debt Service:			
Redemption of Principal			0
Interest and Fiscal Charges			0
Capital Outlay		47,328	47,328
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	290,784	1,830,402	2,121,186
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	267,883	(343,634)	(75,751)
<b>Other Financing Receipts and (Disbursements):</b>			
Transfers-In		15,000	15,000
Transfers-Out	(15,000)		(15,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(15,000)	15,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	252,883	(328,634)	(75,751)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	804,617	911,985	1,716,602
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$1,057,500</b> <hr/>	<hr/> <b>\$583,351</b> <hr/>	<hr/> <b>\$1,640,851</b> <hr/>
Reserve for Encumbrances, December 31	<hr/> <hr/> \$0	<hr/> <hr/> \$0	<hr/> <hr/> \$0

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

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$63,998	\$1,133,974		\$1,197,972
Intergovernmental	326,709	257,959		584,668
Special Assessments			14,119	14,119
Charges for Services		40,195		40,195
Licenses, Permits, and Fees	20,970	29,380		50,350
Fines, Forfeitures, and Penalties	9,646			9,646
Earnings on Investments	107,285	3,438		110,723
Other Revenue	197	21,211		21,408
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	528,805	1,486,157	14,119	2,029,081
<b>Cash Disbursements:</b>				
Current:				
General Government	244,298	24,496		268,794
Public Safety		1,156,952		1,156,952
Public Works	91,654	502,508	20,622	614,784
Health	20,231	25,333		45,564
Capital Outlay		60,582		60,582
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	356,183	1,769,871	20,622	2,146,676
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	172,622	(283,714)	(6,503)	(117,595)
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In		24,527		24,527
Transfers-Out	(15,000)		(9,527)	(24,527)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(15,000)	24,527	(9,527)	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	157,622	(259,187)	(16,030)	(117,595)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	646,995	1,171,172	16,030	1,834,197
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$804,617</b>	<b>\$911,985</b>	<b>\$0</b>	<b>\$1,716,602</b>
Reserve for Encumbrances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$0	\$0	\$0	\$0

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



**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Champion Township, Trumbull 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 general governmental services, including road and bridge maintenance, cemetery maintenance, fire and emergency medical services, and police protection.

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 included in fund balances. 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.

Investment in a repurchase agreement is valued at cost, while the investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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.

**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.

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Special Levy Police Fund* - This fund receives property tax money to pay for police protection and services for citizens of the Township.

*Special Levy Fire Fund* - This fund receives property tax money to pay for fire protection services for citizens of the Township.

**3. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project fund:

*Street Lighting Assessment Fund* – This fund receives a special assessment tax on selected property to pay for street lighting. At December 31, 2000, the fund was reclassified as a special revenue fund.

**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 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. Appropriations lapse at year end

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 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.

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation 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:

	2001	2000
Demand deposits	\$15,000	\$15,000
Total deposits	15,000	15,000
STAR Ohio	5,531	1,561,279
Repurchase agreement	1,620,320	140,323
Total investments	1,625,851	1,701,602
Total deposits and investments	\$1,640,851	\$1,716,602

**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, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$533,286	\$558,667	\$25,381
Special Revenue	1,666,608	1,501,768	(164,840)
Total	\$2,199,894	\$2,060,435	(\$139,459)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,275,316	\$305,784	\$969,532
Special Revenue	2,563,590	1,830,402	733,188
Total	\$3,838,906	\$2,136,186	\$1,702,720

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$498,300	\$528,805	\$30,505
Special Revenue	1,606,907	1,501,157	(105,750)
Capital Projects	12,805	14,119	1,314
Total	\$2,118,012	\$2,044,081	(\$73,931)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,001,134	\$371,183	\$629,951
Special Revenue	2,775,570	1,769,871	1,005,699
Capital Projects	28,835	20,622	8,213
Total	\$3,805,539	\$2,161,676	\$1,643,863

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 full-time certified 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.

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 2001  
(Continued)**

**5. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, 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 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

Some fire fighters are part-time employees and are members of Social Security as they are exempt from PERS.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles, including fire vehicles;
- EDP;
- Inland Marine;
- Errors and omissions.

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

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

Champion Township  
Trumbull County  
6615 S. Spring Street  
Champion, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of Champion Township, Trumbull County, (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 15, 2002. 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, contracts and grants, 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*.

**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.

This report is intended solely for the information and use of the audit committee, 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, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

May 15, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CHAMPION TOWNSHIP**

**TRUMBULL 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  
JUNE 18, 2002**