



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Champion Township
Trumbull County
5315 Craig Avenue
Champion, Ohio 44483

To the Board of Trustees:

We have audited the accompanying financial statements of Champion Township, Trumbull County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. 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 generally accepted auditing standards 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 described in Note 1, Champion 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 Champion Township as of December 31, 1999 and December 31, 1998 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 June 23, 2000 on our consideration of Champion Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Trustees 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".

Jim Petro
Auditor of State

June 23, 2000

CHAMPION TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$57,780	\$1,189,210	\$1,246,990
Charges for Services		42,204	42,204
Licenses, Permits and Fees	52,899	29,745	82,644
Fines & Forfeitures	13,505		13,505
Intergovernmental	272,314	265,361	537,675
Special Assessments		19,187	19,187
Interest	66,978	4,177	71,155
Other	6,492	35,856	42,348
	<u>469,968</u>	<u>1,585,740</u>	<u>2,055,708</u>
Total Cash Receipts			
Cash disbursements:			
Current:			
General government	258,682	21,704	280,386
Public Safety	31,100	1,044,218	1,075,318
Public Works	9,729	266,965	276,694
Health	18,277	54,521	72,798
Capital outlay		70,602	70,602
	<u>317,788</u>	<u>1,458,010</u>	<u>1,775,798</u>
Total cash disbursements			
Total receipts over/(under) cash disbursements	<u>152,180</u>	<u>127,730</u>	<u>279,910</u>
Transfers-in		15,000	15,000
Transfers-out	<u>(15,000)</u>		<u>(15,000)</u>
Total other financing receipts/(disbursements)	(15,000)	15,000	
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursemen	137,180	142,730	279,910
Fund cash balances January 1, 1999	<u>509,814</u>	<u>1,044,472</u>	<u>1,554,286</u>
Fund cash balances, December 31, 1999	<u>\$646,994</u>	<u>\$1,187,202</u>	<u>1,834,196</u>

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

CHAMPION TOWNSHIP
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$172,254	\$1,178,378	\$1,350,632
Charges for Services		42,397	42,397
Licenses, Permits and Fees	32,326	32,807	65,133
Fines & Forfeitures	16,386		16,386
Intergovernmental	232,816	237,229	470,045
Special Assessments		19,250	19,250
Interest	58,748	7,513	66,261
Other	12,548	78,733	91,281
	<u>525,078</u>	<u>1,596,307</u>	<u>2,121,385</u>
 Total Cash Receipts			
Cash disbursements:			
Current:			
General government	272,370	21,828	294,198
Public Safety	3,150	993,395	996,545
Public Works	9,725	349,190	358,915
Health	17,484	17,939	35,423
Capital outlay		9,139	9,139
	<u>302,729</u>	<u>1,391,491</u>	<u>1,694,220</u>
 Total Cash disbursements			
	<u>302,729</u>	<u>1,391,491</u>	<u>1,694,220</u>
 Total receipts over/(under) cash disbursements			
	<u>222,349</u>	<u>204,816</u>	<u>427,165</u>
 Fund cash balances January 1, 1998	<u>287,465</u>	<u>839,656</u>	<u>1,127,121</u>
Fund cash balances, December 31, 1998	<u>\$509,814</u>	<u>\$1,044,472</u>	<u>1,554,286</u>
 Reserve for encumbrances, December 31, 1998		\$877	\$877

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

**CHAMPION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

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, police and fire 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

The Township had a NOW account and Cash Management account with Second National Bank. Repurchase agreements are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts, gains and losses at the time of sales are recorded as receipts or disbursements respectively. 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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Police Levy Fund - This fund receives special levy money for operation of the police department.

Special Fire Levy Fund - This fund receives special levy money for the operation of the fire department.

Special Assessment Fund - This fund accounts for revenues received for lighting assessments used to operate street lights.

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. Encumbrances outstanding at year end are carried over, and need not be re-appropriated. The County Budget Commission must also approve the annual appropriation measure. Un-encumbered 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 canceled, and re-appropriated in the subsequent year. The Township encumbered all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**CHAMPION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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 at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$15,000	\$15,000
Repurchase Agreement	\$677,572	\$1,287,136
Star Ohio	\$1,141,624	\$252,150
Total Investments	<u>\$1,819,196</u>	<u>\$1,539,286</u>
Total deposits and investments	<u>\$1,834,196</u>	<u>\$1,554,286</u>

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments:

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent but not in the Township's name. The repurchase agreements are Category 3. The investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form and are not categorized.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 was as follows:

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$426,181	\$469,968	\$43,787
Special Revenue	1,608,452	1,600,740	(7,712)
	_____	_____	_____
Total	<u>\$2,034,633</u>	<u>\$2,070,708</u>	<u>\$36,075</u>

**CHAMPION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$935,995	\$332,788	\$603,207
Special Revenue	2,652,924	1,458,010	1,194,914
Total	<u>\$3,588,919</u>	<u>\$1,790,798</u>	<u>\$1,798,121</u>

1998 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$468,356	\$525,078	\$56,722
Special Revenue	1,550,297	1,596,307	45,850
Total	<u>\$2,018,653</u>	<u>\$2,121,385</u>	<u>\$102,572</u>

1998 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$755,821	\$302,729	\$453,092
Special Revenue	2,353,112	1,392,368	960,744
Total	<u>\$3,108,933</u>	<u>\$1,695,097</u>	<u>\$1,413,836</u>

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.

CHAMPION TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

4. PROPERTY TAX (Continued)

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 firefighters belong to the Police and Fireman's Disability and Pension Funds (PFDPF). Other Township full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. For 1999 and 1998, law enforcement officers contributed 9% of their wages to PERS. The Township contributed an amount equal to 19.5% of their wages. All Township full-time firefighters contributed 10% of their gross salaries. The Township contributed an amount equal to 19.5% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999 .

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Automobile Liability
- Errors and omissions

The Township also provides life and health insurance, and dental coverage 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
5315 Craig Avenue
Champion, Ohio 44483

To the Board of Trustees:

We have audited the accompanying financial statements of Champion Township, Trumbull County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 23, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 23, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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
AUGUST 8, 2000**