



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**





65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
Champion Township  
149 Center Street East  
Warren, Ohio 44481

We have reviewed the *Independent Auditor's Report* of Champion Township, Trumbull County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Champion Township is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

**August 28, 2025**

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**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Champion Township  
Trumbull County  
149 Center Street East  
Warren, Ohio 44481

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Champion Township, Trumbull County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

April 19, 2025

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 138,146	\$ 2,155,850	\$ -	\$ 2,293,996
Charges for Services	-	500,581	-	500,581
Licenses, Permits and Fees	164,545	26,962	-	191,507
Fines and Forfeitures	162	14,876	-	15,038
Intergovernmental	163,631	510,141	-	673,772
Special Assessments	5,521	24,249	-	29,770
Earnings on Investments	9,640	470	-	10,110
Miscellaneous	15,680	52,305	14,437	82,422
	<u>497,325</u>	<u>3,285,434</u>	<u>14,437</u>	<u>3,797,196</u>
<i>Total Cash Receipts</i>				
	<u>497,325</u>	<u>3,285,434</u>	<u>14,437</u>	<u>3,797,196</u>
<b>Cash Disbursements</b>				
Current:				
General Government	334,496	-	-	334,496
Public Safety	-	2,044,276	-	2,044,276
Public Works	12,845	635,098	-	647,943
Health	28,865	41,344	-	70,209
Capital Outlay	-	364,166	9,325	373,491
Debt Service:				
Principal Retirement	-	43,180	-	43,180
Interest and Fiscal Charges	-	10,562	-	10,562
	<u>376,206</u>	<u>3,138,626</u>	<u>9,325</u>	<u>3,524,157</u>
<i>Total Cash Disbursements</i>				
	<u>376,206</u>	<u>3,138,626</u>	<u>9,325</u>	<u>3,524,157</u>
 <i>Net Change in Fund Cash Balances</i>	 121,119	 146,808	 5,112	 273,039
 <i>Fund Cash Balances, January 1 (Restated - See Note 16)</i>	 <u>399,267</u>	 <u>2,254,759</u>	 <u>131,190</u>	 <u>2,785,216</u>
 <i>Fund Cash Balances, December 31</i>	 <u><u>\$ 520,386</u></u>	 <u><u>\$ 2,401,567</u></u>	 <u><u>\$ 136,302</u></u>	 <u><u>\$ 3,058,255</u></u>

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

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Champion Township, Trumbull 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 protection, zoning enforcement, fire protection and emergency medical services..

***Public Entity Risk Pools***

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool associated with the Ohio Township Association. Note 7 to the financial statements provides additional information for this entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Police Fund*** – The police levy fund accounts for and reports that portion of tax revenue restricted for police protection within the Township.

***Fire Levy Fund*** - The fire levy fund accounts for and reports that portion of tax revenue restricted for fire and EMS protection within the Township as well as any medical billings for services provided under EMS protection.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Special Revenue Funds (Continued)***

***Road Improvement Fund*** – This levy fund accounts for and reports the tax revenue for general road purposes, generally used by the township for the grant matching dollars for Issue II funds, contracted services, supplies and materials and other general road expenditures.

***American Rescue Plan- State and Local Fiscal Recovery Fund*** This fund accounts for and reports the expenditures from the Federal American Rescue Plan entrusted to the Township for the fiscal recovery from the Covid-19 Pandemic, see Note 15. Funds must be expended no later than December 31, 2026 and must be committed no later than December 31, 2024. In the past the total fund balance has been committed to revenue replacement as well as the creation of an outdoor recreation area. A construction project for a road Storage Garage was begun in late 2023.

***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 Funds:

***Issue II Fund*** – The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

***Miscellaneous Capital Projects Fund*** - The township received a refund of profit sharing from BWC in 2020 and has allocated the receipts as well as grant dollars from a utility company to this fund towards the investment in future capital projects.

***Basis of Accounting***

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 (C). 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 (C) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

***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.

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

A summary of 2023 budgetary activity appears in Note 4.

***Deposits & 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.

Investment in STAROhio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***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.

***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:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***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.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Note 3 – Compliance**

Contrary to Ohio law, actual receipts in the Issue II Fund fell below budgeted receipts which caused a reduction in the resources available for appropriations below the allowable amount for the year ended December 31, 2023.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 506,036	\$ 497,325	\$ (8,711)
Special Revenue	3,271,351	3,285,434	14,083
Capital Projects	164,436	14,437	(149,999)
Total	<u>\$ 3,941,823</u>	<u>\$ 3,797,196</u>	<u>\$ (144,627)</u>

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 4 – Budgetary Activity (Continued)**

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 549,051	\$ 384,601	\$ 164,450
Special Revenue	4,056,295	3,582,673	473,622
Capital Projects	160,479	10,480	149,999
Total	<u>\$ 4,765,825</u>	<u>\$ 3,977,754</u>	<u>\$ 788,071</u>

Due to circumstances beyond the Township's control, some capital projects planned in 2023 had to be carried over in to another year for completion. This had a material effect on the original budget and effects prior year as well as future years. This was exacerbated by the labor and material shortages and cost increases as a result of the pandemic as well as legalities with road dedications.

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2023
Demand deposits	<u>\$ 2,858,005</u>
Total deposits	<u>2,858,005</u>
STAR Ohio	<u>200,250</u>
Total investments	<u>200,250</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$ 3,058,255</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$24,232 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 6 – Property Taxes**

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township 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 health care and survivor and disability benefits.



**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 8 – Defined Benefit Pension Plans (Continued)**

***Ohio Public Employees Retirement System (Continued)***

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

***Ohio Police and Fire Retirement System***

Some Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2023.

***Social Security***

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

**Note 9 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Some Township 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

***Ohio Police and Fire Retirement System***

The Township certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2023.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2023

**Note 10 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Fire Truck Lease-Purchase	\$ 241,183	3.71%
Total	<u>\$ 241,183</u>	

***Financed Purchases***

The Township leases-to-own a fire truck under noncancelable leases. The Township disbursed \$53,742 to pay lease costs for the year ended December 31, 2023. Total remaining principal remaining as of December 31, 2023 is \$268,710. Please see Note 14 for additional information.

***Amortization***

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

Year Ending December 31:	Financed Purchases
2024	\$ 53,742
2025	53,742
2026	53,742
2027	53,742
2028	53,742
Total	<u>\$ 268,710</u>

**Note 11 – Contingent Liabilities**

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

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Related Party Transactions**

A Township Trustee owns a local towing business, which occasionally provides services free of charge to the Township. This business has been providing free of charge services approximately 7-10 times per year for some time, but the owner was not a Trustee prior to 2018.

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 13 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 8,395	\$ 444,047	\$ 1,155	\$ 453,597
Total	<u>\$ 8,395</u>	<u>\$ 444,047</u>	<u>\$ 1,155</u>	<u>\$ 453,597</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 14 – Subsequent Events**

Of note, in January 2024, the Board of Trustees authorized the payment of \$35,000 additional principal on the noncancelable lease listed above in Note 10.

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

During 2023, the Township was conditionally approved but did not receive an on-behalf of grant from another government. During 2023, the Township utilized previously awarded funds to support efforts to combat the COVID-19 pandemic through emergency medical services, support of a plan for outdoor recreation to encourage social distancing and social interaction as well as for the purchase of supplies, labor and materials to prevent, mitigate, combat and overcome the socio-economic, mental and physical health and financial impacts of the pandemic within the community. The presumed impacts of this investment are far-reaching and cannot be estimated by the Township at this time.

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

**Note 16 – Restatement of Fund Balance**

Beginning fund balance at January 1, 2023 was restated for the Township's General and Special Revenue Funds due to voided checks and a receipt error.

	<u>General</u>
Ending Fund Balance December 31, 2022	\$ 401,673
Restatement Amount	<u>(2,406)</u>
Beginning Fund Balance, January 1, 2023, Restated	<u>\$ 399,267</u>

	<u>Special Revenue</u>
Ending Fund Balance December 31, 2022	\$ 2,250,853
Voided Checks	<u>3,906</u>
Beginning Fund Balance, January 1, 2023, Restated	<u>\$ 2,254,759</u>

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 135,752	\$ 2,069,420	\$ -	\$ 2,205,172
Charges for Services	-	455,250	-	455,250
Licenses, Permits and Fees	86,866	21,799	-	108,665
Fines and Forfeitures	-	2,020	-	2,020
Intergovernmental	166,795	967,500	77,352	1,211,647
Special Assessments	1,601	37,107	-	38,708
Earnings on Investments	537	653	-	1,190
Miscellaneous	18,003	170,473	-	188,476
<i>Total Cash Receipts</i>	<u>409,554</u>	<u>3,724,222</u>	<u>77,352</u>	<u>4,211,128</u>
<b>Cash Disbursements</b>				
Current:				
General Government	322,607	5,888	-	328,495
Public Safety	-	1,980,088	-	1,980,088
Public Works	9,769	673,490	-	683,259
Health	28,326	52,200	-	80,526
Conservation-Recreation	-	15,348	-	15,348
Capital Outlay	-	416,227	78,452	494,679
Debt Service:				
Principal Retirement	-	41,633	-	41,633
Interest and Fiscal Charges	-	12,109	-	12,109
<i>Total Cash Disbursements</i>	<u>360,702</u>	<u>3,196,983</u>	<u>78,452</u>	<u>3,636,137</u>
<i>Net Change in Fund Cash Balances</i>	48,852	527,239	(1,100)	574,991
<i>Fund Cash Balances, January 1 (Restated - See Note 17)</i>	<u>352,821</u>	<u>1,723,614</u>	<u>132,290</u>	<u>2,208,725</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 401,673</u>	<u>\$ 2,250,853</u>	<u>\$ 131,190</u>	<u>\$ 2,783,716</u>

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

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Champion Township, Trumbull 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 protection, zoning enforcement, fire protection and emergency medical services.

***Public Entity Risk Pools***

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool associated with the Ohio Township Association. Note 7 to the financial statements provides additional information for this entity.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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:

***Gas Tax Fund*** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Permissive Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** – This fund receives Property Tax revenue for expenditures relating to for road expenditures, generally user compensation.

***Cemetery Fund*** – The Cemetery fund accounts for fees generated from the burial and sale of lots for Township owned cemeteries as well as grant funds.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Special Revenue Funds (Continued)***

***Police Fund*** – This fund receives Property Tax revenue for expenditures relating to police protection service, along with state grants and donations.

***Fire Fund*** - This fund receives Property Tax revenue for expenditures relating to Fire/EMS services as well as miscellaneous donations, EMS billings and State grant funds.

***Road Improvement Fund*** – The Road Improvement fund is a levy revenue fund which receives property taxes for road expenditures as outlined by the ballot language when passed. The Township mainly utilizes this fund for Issue II fund grant matches and supplies and materials.

***ARP-Fiscal Recovery Fund***– This federally mandated fund is for receipts of Federal funds distributed under the American Rescue Plan, State and Local Fiscal Recovery Fund. Funds deposited in this fund are required to be encumbered no later than December 31, 2024, and expended no later than December 31, 2026 or they must be returned to the Federal government. They are available for revenue replacement or restricted to certain purposes outlined in the guidance issued by the Department of the Treasury.

***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 Funds:

***Issue II Fund*** – The township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

***Miscellaneous Capital Projects Fund*** - The township received a refund from the state BWC fund which the Township has designated for capital improvements. The proceeds are restricted for capital improvement.

***Basis of Accounting***

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 (C). 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 (C) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process (Continued)***

***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.

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

A summary of 2022 budgetary activity appears in Note 4.

***Deposits & 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***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.

***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:

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***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.



**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Cemetery, FEMA PA Grant, and Special Assessment Funds by \$4,834, \$25,303, and \$5,731, respectively, for the year ended December 31, 2022. Also, contrary to Ohio law, appropriation authority exceeded estimated resources for the 2021 OPWC Project Fund by \$69,763 for the year ended December 31, 2022.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 434,994	\$ 409,554	\$ (25,440)
Special Revenue	3,545,532	3,724,222	178,690
Capital Projects	86,052	77,352	(8,700)
Total	<u>\$ 4,066,578</u>	<u>\$ 4,211,128</u>	<u>\$ 144,550</u>

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 4 – Budgetary Activity (Continued)**

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 543,994	\$ 363,006	\$ 180,988
Special Revenue	3,992,095	3,299,631	692,464
Capital Projects	205,815	88,932	116,883
Total	<u>\$ 4,741,904</u>	<u>\$ 3,751,569</u>	<u>\$ 990,335</u>

The Capital Project revenue variance is accounted for in three ways. The first being that the project came in under budget. The second is that the grant was reduced based on the lower cost of the project. The third reason for this negative variance is that the project closeout came in after the end of the fiscal year; showing in the Budget Commissions records that the fund was over-appropriated by the dollar amount that the grantee did not pay.

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

<b>Cash Management Pool:</b>	2022
Demand deposits	<u>\$ 2,600,651</u>
Total deposits	<u>2,600,651</u>
STAR Ohio	<u>183,065</u>
Total investments	<u>183,065</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$ 2,783,716</u></u>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$20,724 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Investments**

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

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6 – Property Taxes**

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Note 7 – Risk Management**

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Township 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 health care and survivor and disability benefits.

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

***Ohio Public Employees Retirement System (Continued)***

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

***Ohio Police and Fire Retirement System***

Some Township certified Fire Fighters belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2022.

***Social Security***

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Fire Truck Lease-Purchase	\$ 284,683	3.71%
Total	<u>\$ 284,683</u>	

***Financed Purchases***

Funds utilized above were for the lease to purchase a custom fire engine due to the current facility being unable to accommodate a standard fire engine.

***Amortization***

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

Year Ending December 31:	Financed Purchases
2023	\$ 53,742
2024	53,742
2025	53,742
2026	53,742
2027	53,742
2028	53,742
Total	<u>\$ 322,452</u>

**Note 11 – Construction and Contractual Commitments**

The Township has applied for grant funding through the Ohio Public Works Commission to complete projects. Grant funds have been secured but the finalized paperwork has not yet been completed due to outstanding work that was completed near the end of 2022 for OPWC 2021 and 2022 projects.

The Township is also in the process of designing a building for housing storage for the Road, Police and Administration departments. The Township has multiple small storage facilities that it currently rents and there is not enough space for the newly purchased large equipment for the Road department and Police Departments. Management believes housing all of the storage under one roof on premises is the best avenue for completion. The economic impact of the work is not yet determined.

**Note 12 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Champion Township**  
Trumbull County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**Note 13 – Related Party Transactions**

A Township Trustee owns a local towing business, which occasionally provides services free of charge to the township. This business has been providing free of charge services approximately 6-8 times per year even prior to the owner becoming a Township Trustee.

**Note 14 – Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 2,304	\$ 102,648	\$ 10,480	\$ 115,432
Total	\$ 2,304	\$ 102,648	\$ 10,480	\$ 115,432

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 15 – Subsequent Events**

The Township was informed early in 2023 that the cost of the healthcare premiums for the Township's healthcare plan will increase significantly, while most of the employees are on a fixed payment schedule for contributions due to collective bargaining agreements. The Township's only choice will be to absorb this amount or to increase the deductibles and payments to employees for not taking the healthcare coverage, also having a fiscal impact, as the Township plan is a Health Reimbursement Arrangement covering the full deductibles

**Note 16 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues.

During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent fiscal periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. During 2022, the Township charged prior year expenditures to the FEMA PA Grant Fund. The Police, Fire and General Funds billed the FEMA PA Grant Fund for these costs when the reimbursement was made from FEMA. These Funds reflect this receipt of \$25,303 as a Federal Revenue in the accompanying financial statements

**Champion Township**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 17 – Restatement of Beginning Balance**

Beginning fund balance at January 1, 2022 was restated for the Township's General Fund due to a voided check and receipt errors.

	<u>General Fund</u>
Ending Fund Balance December 31, 2021	\$ 353,660
Restatement Amount	<u>(839)</u>
Beginning Fund Balance, January 1, 2022, Restated	<u>\$ 352,821</u>

  

	<u>Special Revenue</u>
Ending Fund Balance December 31, 2021	\$ 1,722,164
Restatement Amount	<u>1,450</u>
Beginning Fund Balance, January 1, 2022, Restated	<u>\$ 1,723,614</u>

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

Champion Township  
Trumbull County  
149 Center Street East  
Warren, Ohio 44481

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Champion Township, Trumbull County, (the Township) and have issued our report thereon dated April 19, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings as item 2023-002.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

April 19, 2025

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Township's annual financial report were noted:

- Zoning Fund balance and activity was not included as part of the General Fund financial statement presentation in 2022.

The following reclassifications were immaterial to the overall financial statements of the Township for December 31, 2023 and 2022 and were not posted to the financial statements or accounting system:

- Various royalty receipts incorrectly classified as fees and/or special assessments in the General Fund in 2022 and 2023.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such a review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified in the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response:** The zoning roll-up was corrected in 2023. Fiscal Officer to ensure correctness for the next audit cycle. Errors regarding classification have been corrected as of 2025.

**FINDING NUMBER 2023-002**

**Noncompliance**

**Budgetary Controls**

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Township making financial decisions based on incorrect or incomplete information. We noted the following:

CHAMPION TOWNSHIP  
TRUMBULL COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2023-002 (CONTINUED)

**Budgetary Controls**

- **Violations of 5705.39** – An instance of appropriation authority exceeding the allowable amount;
- **Violations of 5705.41(B)** – Instances of budgetary expenditures exceeding total appropriation authority; and
- **Violations of 5705.41(D)** – Instances of disbursements not being properly encumbered.

Although Trustees approve budgets for revenue and expenses and receive monthly reports of budget and actual information, it does not ensure budgetary forms are properly completed, submitted to the County Budget Commission timely or that transfers are done in compliance with laws and regulations.

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Trustees and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

The Fiscal Officer should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Township is complying with applicable sections. If the Trustees do not consider these necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Township Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

**Officials' Response:** The Township is working to improve monitoring and budgetary processes and will amend budgets and appropriations as appropriate. Additionally, fiscal officer is working with department heads to improve their understanding of laws and requirements.

**CHAMPION TOWNSHIP  
TRUMBULL COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated as Finding 2023-001
2021-002	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2023-002

# OHIO AUDITOR OF STATE KEITH FABER



**CHAMPION TOWNSHIP**

**TRUMBULL COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/9/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)