



Dave Yost • Auditor of State



**COPLEY TOWNSHIP  
SUMMIT COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Copley Township  
Summit County  
1540 S. Cleveland-Massillon Road  
Copley, Ohio 44321

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Copley Township, Summit County, as of and for the years ended December 31, 2013 and 2012 and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 25, 2014

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$869,913	\$6,317,930	\$0	\$0	\$0	\$7,187,843
Charges for Services	0	475,282	0	0	0	475,282
Licenses, Permits and Fees	167,314	14,963	0	0	0	182,277
Fines and Forfeitures	11,694	1,165	0	0	0	12,859
Intergovernmental	1,467,541	1,221,623	0	267,040	0	2,956,204
Special Assessments	418	513	39,560	0	0	40,491
Earnings on Investments	12,674	415	0	0	8	13,097
Miscellaneous	69,195	111,194	0	0	0	180,389
<i>Total Cash Receipts</i>	<u>2,598,749</u>	<u>8,143,085</u>	<u>39,560</u>	<u>267,040</u>	<u>8</u>	<u>11,048,442</u>
<b>Cash Disbursements</b>						
Current:						
General Government	1,279,020	28,760	459	0	30	1,308,269
Public Safety	272,750	6,472,734	0	0	0	6,745,484
Public Works	4,893	1,405,164	0	0	0	1,410,057
Health	246,663	14,447	0	0	0	261,110
Conservation-Recreation	51,403	0	0	0	0	51,403
Capital Outlay	30,988	383,921	0	354,295	0	769,204
Debt Service:						
Principal Retirement	0	0	35,000	0	0	35,000
Interest and Fiscal Charges	0	0	4,480	0	0	4,480
<i>Total Cash Disbursements</i>	<u>1,885,717</u>	<u>8,305,026</u>	<u>39,939</u>	<u>354,295</u>	<u>30</u>	<u>10,585,007</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>713,032</u>	<u>(161,941)</u>	<u>(379)</u>	<u>(87,255)</u>	<u>(22)</u>	<u>463,435</u>
<b>Other Financing Receipts (Disbursements)</b>						
Other Debt Proceeds	0	0	0	300,000	0	300,000
Transfers In	17,386	59,222	0	30,000	0	106,608
Transfers Out	(54,000)	(52,608)	0	0	0	(106,608)
Advances In	527,046	118,383	0	360,000	0	1,005,429
Advances Out	(478,383)	(147,369)	0	(379,677)	0	(1,005,429)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>12,049</u>	<u>(22,372)</u>	<u>0</u>	<u>310,323</u>	<u>0</u>	<u>300,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>725,081</u>	<u>(184,313)</u>	<u>(379)</u>	<u>223,068</u>	<u>(22)</u>	<u>763,435</u>
<i>Fund Cash Balances, January 1</i>	<u>6,129,589</u>	<u>5,216,397</u>	<u>177,127</u>	<u>1,268,615</u>	<u>18,383</u>	<u>12,810,111</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	17,015	17,015
Restricted	0	4,924,764	176,748	1,491,683	1,346	6,594,541
Committed	0	107,320	0	0	0	107,320
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	6,854,670	0	0	0	0	6,854,670
<i>Fund Cash Balances, December 31</i>	<u>\$6,854,670</u>	<u>\$5,032,084</u>	<u>\$176,748</u>	<u>\$1,491,683</u>	<u>\$18,361</u>	<u>\$13,573,546</u>

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

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

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

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$858,228	\$6,380,128	\$0	\$0	\$0	\$7,238,356
Charges for Services	0	486,751	0	0	0	486,751
Licenses, Permits and Fees	170,318	17,375	0	0	0	187,693
Fines and Forfeitures	12,819	4,391	0	0	0	17,210
Intergovernmental	968,389	1,100,229	0	411,661	0	2,480,279
Special Assessments	352	559	41,720	0	0	42,631
Earnings on Investments	12,943	539	0	0	10	13,492
Miscellaneous	19,602	96,979	0	0	0	116,581
<i>Total Cash Receipts</i>	<u>2,042,651</u>	<u>8,086,951</u>	<u>41,720</u>	<u>411,661</u>	<u>10</u>	<u>10,582,993</u>
<b>Cash Disbursements</b>						
Current:						
General Government	1,369,748	3,061	487	0	0	1,373,296
Public Safety	192,294	6,509,881	0	0	0	6,702,175
Public Works	11,360	1,462,565	0	0	0	1,473,925
Health	177,566	44,438	0	0	0	222,004
Human Services	0	1,975	0	0	0	1,975
Conservation-Recreation	27,974	0	0	0	0	27,974
Other	0	0	0	0	0	0
Capital Outlay	19,039	235,856	0	174,238	0	429,133
Debt Service:					0	0
Principal Retirement	0	0	35,000	0	0	35,000
Interest and Fiscal Charges	0	0	6,720	0	0	6,720
<i>Total Cash Disbursements</i>	<u>1,797,981</u>	<u>8,257,776</u>	<u>42,207</u>	<u>174,238</u>	<u>0</u>	<u>10,272,202</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>244,670</u>	<u>(170,825)</u>	<u>(487)</u>	<u>237,423</u>	<u>10</u>	<u>310,791</u>
<b>Other Financing Receipts (Disbursements)</b>						
Transfers In	7,737	89,111	0	0	0	96,848
Transfers Out	(24,000)	(72,848)	0	0	0	(96,848)
Advances In	184,640	85,474	0	0	0	270,114
Advances Out	(88,354)	(27,030)	0	(154,730)	0	(270,114)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>80,023</u>	<u>74,707</u>	<u>0</u>	<u>(154,730)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	324,693	(96,118)	(487)	82,693	10	310,791
<i>Fund Cash Balances, January 1</i>	<u>5,804,896</u>	<u>5,312,515</u>	<u>177,614</u>	<u>1,185,922</u>	<u>18,373</u>	<u>12,499,320</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	17,015	17,015
Restricted	0	5,108,027	177,127	1,268,615	1,368	6,555,137
Committed	0	108,370	0	0	0	108,370
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	6,129,589	0	0	0	0	6,129,589
<i>Fund Cash Balances, December 31</i>	<u>\$6,129,589</u>	<u>\$5,216,397</u>	<u>\$177,127</u>	<u>\$1,268,615</u>	<u>\$18,383</u>	<u>\$12,810,111</u>

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



**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
AGENCY FUND  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating Cash Receipts</b>		
Licenses, Permits and Fees	\$13,600	\$20,800
<b>Operating Cash Disbursements</b>		
Other	<u>299,048</u>	<u>21,600</u>
<i>Total Operating Cash Disbursements</i>	<u>299,048</u>	<u>21,600</u>
<i>Operating Income (Loss)</i>	<u>(285,448)</u>	<u>(800)</u>
<b>Non-Operating Receipts (Disbursements)</b>		
Miscellaneous Receipts	<u>47,953</u>	<u>25</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>47,953</u>	<u>25</u>
<i>Net Change in Fund Cash Balances</i>	(237,495)	(775)
<i>Fund Cash Balances, January 1</i>	<u>324,403</u>	<u>325,178</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$86,908</u></u>	<u><u>\$324,403</u></u>

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

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**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Copley Township, Summit County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police and fire protection and emergency medical services.

The Township participates in two joint governments and one joint venture. Notes 9 and 10 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

The Township is a member of the Joint Economic Development District with the City of Akron.

The Township operates a Joint Dispatch Pilot Program with the Cities of Norton and Barberton.

Joint Ventures:

The Township jointly operates a fire station with Bath Township.

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

**B. Accounting Basis**

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

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

**C. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

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

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

Police District Fund - This fund receives property tax money to operate and maintain the Township's Police Department.

Fire District Fund - This fund receives property tax money to operate and maintain the Township's Fire Department.

**3. Debt Service Funds**

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

Bond Retirement Fund – This fund is used to accumulate resources for the principal and interest on the Township's general obligation South Springside Road project debt.

**4. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Radio Tower Regional Grant Fund – This fund is used to account for a firefighter grant used to construct a radio tower.

Southwest Summit Communications Center and Local Government Innovation Fund (SWSCOM – LGIF) – This fund is used to account for the SWSCOM – LGIF loans used to establish the Joint Dispatch Center.

**5. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Grace B. Mitchell Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**D. Fund Accounting (Continued)**

**6. Fiduciary Funds**

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency funds account for monies collected for road and culvert deposit fees and fire claims – insurance escrow.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**3. Encumbrances**

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. Fund Balance**

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

**1. Nonspendable**

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

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**F. Fund Balance (Continued)**

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

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

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2013	2012
Demand deposits	(\$99,768)	(\$73,251)
Certificates of deposit	18,361	18,352
Savings Deposits	3,606,861	3,604,413
Total deposits	3,525,454	3,549,514
Repurchase agreement	10,135,000	9,585,000
Total deposits and investments	\$13,660,454	\$13,134,514

**Deposits:** Deposits are 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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2013 and December 31, 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,457,248	\$3,143,181	\$685,933
Special Revenue	8,133,834	8,320,690	186,856
Debt Service	39,560	39,560	0
Capital Projects	597,039	957,040	360,001
Permanent	0	8	8
Total	\$11,227,681	\$12,460,479	\$1,232,798

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,430,409	\$2,635,921	(\$205,512)
Special Revenue	10,085,301	9,031,293	1,054,008
Debt Service	40,230	39,939	291
Capital Projects	1,803,849	844,361	959,488
Permanent	0	30	(30)
Total	\$14,359,789	\$12,551,544	\$1,808,245

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. BUDGETARY ACTIVITY – (Continued)**

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,940,153	\$2,235,028	\$294,875
Special Revenue	8,157,648	8,261,536	103,888
Debt Service	41,720	41,720	0
Capital Projects	731,338	411,661	(319,677)
Permanent	0	10	10
Total	\$10,870,859	\$10,949,955	\$79,096

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,421,080	\$2,218,972	\$202,108
Special Revenue	9,653,411	8,687,811	965,600
Debt Service	45,750	42,207	3,543
Capital Projects	1,581,699	328,968	1,252,731
Total	\$13,701,940	\$11,277,958	\$2,423,982

**4. PROPERTY TAX**

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Special Assessment Bonds, Series 1994	\$35,000	6%

The Township issued Special Assessment Bonds for street improvements. The Township's taxing authority collects assessments on those improved properties.



**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. DEBT – (Continued)**

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

	Special Assessment Bonds
Year ending December 31:	<hr/>
2014	\$36,120

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OP&F participants contributed 10.0% of their wages through June 30, 2013 and 10.75% beginning on July 31, 2013 through the remaining of 2013. For 2013 and 2012, the Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Public officials liabilities; and
- Police Professional Liabilities

**8. CONTINGENT LIABILITIES**

The Township is a party to legal proceedings. The Board is of the opinion that the ultimate disposition of these proceedings will not have a materially adverse effect on the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. 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.

**9. JOINT VENTURES**

The Township jointly operates a fire station with Bath Township. The Township is responsible for 50% of payroll costs for the station.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**10. JOINTLY GOVERNED ORGANIZATIONS**

The Township is a member of a Joint Economic Development District (JEDD) with the City of Akron. The City of Akron provides water service to businesses within the JEDD while the JEDD is permitted to collect income tax on those businesses. At the same time, the JEDD prevents annexation of Township property by another city and maintains the Township's rural character and property tax base.

The Township also operates a Joint Dispatch Pilot Program with the City of Norton and the City of Barberton. The Joint Dispatch program will be governed by a Governing Committee composed of the Police Chief or designee and the Fire Chief or designee, from each community. At least 4 members of the Governing Committee must agree to operational issues. The communities agreed to share start up and recurring costs equally. Copley Township has agreed to provide certain costs for the pilot year; however, the amounts will be tracked for future cost-sharing. The Memorandum of Understanding outlines each community's participation and responsibilities.

In November 2012, the Township, the City of Barberton and the City of Norton approved the establishment of the Southwest Summit Council of Governments (council). Subsequently, in January 2013, the Council established the by-laws of the Southwest Summit Council of Governments. In November 2013, the Township, the City of Norton and the City of Barberton, entered into an agreement with the Southwest Summit Council of Governments to establish the conditions of the shared services agreement for the Joint Dispatch Center. The Joint Dispatch Center will begin independent operation in 2014.



# Dave Yost • Auditor of State

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

Copley Township  
Summit County  
1540 S. Cleveland-Massillon Road  
Copley, Ohio 44321

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, and have issued our report thereon dated November 25, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 25, 2014



# Dave Yost • Auditor of State

**COPLEY TOWNSHIP**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 16, 2014**