

COPLEY TOWNSHIP

SUMMIT COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2007 and 2006

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Copley Township
1540 S. Cleveland-Massillon Road
Copley, Ohio 44321

We have reviewed the *Report of Independent Accountants* of Copley Township, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Copley Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 3, 2008

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COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2007 and 2006

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1-2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2007	4
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006	5
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2006	6
Notes to the Financial Statements	7-16
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	17-18
Status of Prior Audit Findings	19

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Copley Township, Summit County
1540 Cleveland-Massillon Rd.
Copley, OH 44321

To the Board of Trustees:

We have audited the accompanying financial statements of Copley Township (the Township), Summit County, Ohio as and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2007 and 2006. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Copley Township, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2008, 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, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
March 14, 2008

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2007

	Governmental Fund Types					(Memorandum Only) Total
	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Receipts:						
Property Taxes and Other Local Taxes	\$ 985,266	\$ 7,127,082	-	\$ 190,462	-	\$ 8,302,810
Charges for Services	-	89,194	-	-	-	89,194
Licenses, permits and fees	109,796	48,317	-	-	-	158,113
Fines and Forfeitures	14,266	4,641	-	-	-	18,907
Intergovernmental	1,071,531	312,102	-	217,819	-	1,601,452
Special Assessments	-	554	\$ 53,200	-	-	53,754
Earnings on Investments	400,302	34,698	-	-	\$ 1,350	436,350
Miscellaneous	7,602	35,714	-	-	-	43,316
Total Receipts	2,588,763	7,652,302	53,200	408,281	1,350	10,703,896
Disbursements:						
Current:						
General Government	1,369,116	22,488	-	-	-	1,391,604
Public Safety	250,243	4,837,013	-	-	-	5,087,256
Public Works	-	1,852,862	-	-	-	1,852,862
Health	154,477	32,335	-	-	-	186,812
Conservation-Recreation	41,209	-	-	-	-	41,209
Capital Outlay	223,486	323,075	-	217,819	-	764,380
Debt Service:						
Principal Retirement	-	-	35,000	-	-	35,000
Interest & Fiscal Charges	-	-	17,920	-	-	17,920
Total Cash Disbursements	2,038,531	7,067,773	52,920	217,819	-	9,377,043
Excess of Receipts Over/(Under) Disbursements	550,232	584,529	280	190,462	1,350	1,326,853
Other Financing Sources/(Uses):						
Advances-In	400,967	15,000	-	92,819	-	508,786
Advances-Out	(107,819)	(308,148)	-	(92,819)	-	(508,786)
Total Other Financing Sources/(Uses)	293,148	(293,148)	-	-	-	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	843,380	291,381	280	190,462	1,350	1,326,853
Fund Balance January 1, 2007	2,060,474	4,507,531	179,139	112,704	26,279	6,886,127
Fund Balance December 31, 2007	\$ 2,903,854	\$ 4,798,912	\$ 179,419	\$ 303,166	\$ 27,629	\$ 8,212,980
Reserve for Encumbrances, December 31, 2007	\$ 89,194	\$ 357,469	-	\$ 2,082	\$ -	\$ 448,745

See accompanying Notes to the Financial Statements.

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
For the Year Ended December 31, 2007**

	<u>Fiduciary Fund Types</u>	<u>Total (Memorandum Only)</u>
	<u>Agency</u>	
Operating Receipts:		
Licenses, Permits and Fees	\$ 28,000	\$ 28,000
Total Operating Receipts	<u>28,000</u>	<u>28,000</u>
Operating Disbursements:		
Deposits Returned	<u>52,119</u>	<u>52,119</u>
Total Operating Disbursements	<u>52,119</u>	<u>52,119</u>
Excess Operating Receipts Over/(Under) Operating Disbursements	(24,119)	(24,119)
Non-Operating Receipts/Disbursements		
Miscellaneous Receipts	2,625	2,625
Total Non-Operating Receipts/Disbursements	<u>2,625</u>	<u>2,625</u>
Net Receipts Over Disbursements	(21,494)	(21,494)
Fund Balance January 1, 2007	<u>78,351</u>	<u>78,351</u>
Fund Balance December 31, 2007	<u>\$ 56,857</u>	<u>\$ 56,857</u>

See accompanying Notes to the Financial Statements.

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2006

	Governmental Fund Types					(Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Receipts:						
Property Taxes and Other Local Taxes	\$ 901,604	\$ 5,570,297	-	\$ 110,364	-	\$ 6,582,265
Charges for Services	-	105,741	-	-	-	105,741
Licenses, permits and fees	117,570	62,825	-	-	-	180,395
Fines and Forfeitures	15,689	4,157	-	-	-	19,846
Intergovernmental	1,606,686	853,321	-	135,391	-	2,595,398
Special Assessments	-	559	\$ 55,476	-	-	56,035
Earnings on Investments	333,246	24,304	-	-	\$ 1,228	358,778
Miscellaneous	24,473	54,292	-	-	-	78,765
Total Receipts	2,999,268	6,675,496	55,476	245,755	1,228	9,977,223
Disbursements:						
Current:						
General Government	1,157,489	77,289	-	-	-	1,234,778
Public Safety	215,898	4,481,162	-	-	-	4,697,060
Public Works	-	1,354,426	-	-	-	1,354,426
Health	155,796	28,977	-	-	-	184,773
Conservation-Recreation	81,045	-	-	-	-	81,045
Capital Outlay	701,746	487,022	-	295,037	-	1,483,805
Debt Service:						
Principal Retirement	-	-	35,000	-	-	35,000
Interest & Fiscal Charges	-	-	20,160	-	-	20,160
Total Cash Disbursements	2,311,974	6,428,876	55,160	295,037	-	9,091,047
Excess of Receipts Over/(Under) Disbursements	687,294	246,620	316	(49,282)	1,228	886,176
Other Financing Sources/(Uses):						
Transfers-In	41,515	300,000	-	-	-	341,515
Transfers-Out	(300,000)	(41,515)	-	-	-	(341,515)
Advances-In	912,587	1,065,798	-	-	-	1,978,385
Advances-Out	(1,065,798)	(790,714)	-	(121,873)	-	(1,978,385)
Other Financing Uses	(25)	-	-	-	-	(25)
Total Other Financing Sources/(Uses)	(411,721)	533,569	-	(121,873)	-	(25)
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	275,573	780,189	316	(171,155)	1,228	886,151
Fund Balance January 1, 2006	1,784,901	3,727,342	178,823	283,859	25,051	5,999,976
Fund Balance December 31, 2006	\$ 2,060,474	\$ 4,507,531	\$ 179,139	\$ 112,704	\$ 26,279	\$ 6,886,127
Reserve for Encumbrances, December 31, 2006	\$ 171,433	\$ 665,316	\$ -	\$ -	\$ -	\$ 836,749

See accompanying Notes to the Financial Statements.

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
For the Year Ended December 31, 2006**

	<u>Fiduciary Fund Types</u>	<u>Total (Memorandum Only)</u>
	<u>Agency</u>	
Operating Receipts:		
Licenses, Permits and Fees	\$ 36,800	\$ 36,800
Total Operating Receipts	36,800	36,800
Operating Disbursements:		
Purchased Services	217	217
Deposits Returned	111,653	111,653
Total Operating Disbursements	111,870	111,870
Excess Operating Receipts Over/(Under) Operating Disbursements	(75,070)	(75,070)
Non-Operating Receipts/Disbursements		
Miscellaneous Receipts	11,680	11,680
Total Non-Operating Receipts/Disbursements	11,680	11,680
Net Receipts Over Disbursements	(63,390)	(63,390)
Fund Balance January 1, 2006	141,741	141,741
Fund Balance December 31, 2006	\$ 78,351	\$ 78,351
Reserve for Encumbrances, December 31, 2006	\$ 124	\$ 124

See accompanying Notes to the Financial Statements.

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Copley Township, Summit County (the Township) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three member Board of Trustees. The Township provides road and bridge maintenance, cemetery maintenance, recycling services, and fire protection and emergency medical services.

The Township's management believes these financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The Township prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than for capital projects) that are restricted to expenditures for specific purposes. The Township has 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 Police Department.
- *Fire District Fund* – This fund receives property tax money to operate and maintain the Township Fire Department.

Debt Service Funds: These funds are used to accumulate resources for the payment of indebtedness. The Township has 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.

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

Capital Projects Funds: These funds are used to account for receipts that are restricted for the acquisition or construction of capital projects (except those financed through enterprise funds). The Township has the following significant Capital Projects Funds:

- *FEMA Grant Fund* – The Township received a grant from the Federal Emergency Management Agency.
- *Sewer/Water Improvement Fund* - The Township received JEDD income tax funds for sewer and water improvement.

Permanent Funds: These funds are used to account for resources restricted by legally binding trust agreements and are used for Township activities or improvements. The Township has the following significant Permanent fund:

- *Grace B. Mitchell Fund* – This fund is used to record the collection of interest used to maintain the Township's cemetery.

Fiduciary Fund Types: These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township has the following significant fiduciary fund:

Agency Fund:

- *Road and Culvert Deposits Fund* – This Agency fund is used to account for monies collected for road and culvert deposit fees.

E. BUDGETARY PROCESS

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Township Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

1. Estimated Resources

The county auditor calculates the estimated revenues available to the Township. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The certificate is approved by the county budget commission and sent to the Township Clerk by September 1.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Clerk identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2006 and 2007. However, those fund balances are available for appropriation.

2. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

3. Encumbrances

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	2007	2006
Demand Deposits	\$ (181,136)	\$ (394,785)
Repurchase Agreements	7,205,000	6,175,000
Saving Accounts	1,218,343	1,157,984
Certificates of Deposit	27,630	26,279
Total	<u>\$ 8,269,837</u>	<u>\$ 6,964,478</u>

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COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

The negative cash balances in the 2006 and 2007 demand deposits are due to the Township investing in overnight repurchase agreements.

3. PROPERTY TAXES

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2004.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

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

Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

4. BUDGETARY ACTIVITY

2007 Budgeted vs Actual Receipts

<u>Fund:</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General Fund	\$ 2,496,405	\$ 2,588,763	\$ 92,358
Special Revenue Funds	7,743,599	7,652,302	(91,297)
Debt Service Fund	53,200	53,200	-
Capital Projects Funds	408,281	408,281	-
Permanent Fund	1,200	1,350	150

2007 Budgeted vs Actual Budgetary Basis Expenditures

<u>Fund:</u>	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General Fund	\$ 2,838,440	\$ 2,127,725	\$ 710,715
Special Revenue Funds	8,814,489	7,425,242	1,389,247
Debt Service Fund	60,000	52,920	7,080
Capital Projects Funds	330,159	219,901	110,258

2006 Budgeted vs Actual Receipts

<u>Fund:</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General Fund	\$ 2,981,968	\$ 3,040,783	\$ 58,815
Special Revenue Funds	7,035,099	6,975,496	(59,603)
Debt Service Fund	55,345	55,476	131
Capital Projects Funds	221,586	245,755	24,169
Permanent Fund	-	1,228	1,228

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006**

4. BUDGETARY ACTIVITY- (Continued)

<u>Fund:</u>	<u>2006 Budgeted vs Actual Budgetary Basis Expenditures</u>			
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>	
General Fund	\$ 3,935,993	\$ 2,783,432	\$	1,152,561
Special Revenue Funds	9,572,468	7,135,707		2,436,761
Debt Service Fund	60,000	55,160		4,840
Capital Projects Funds	330,159	295,037		35,122

5. RETIREMENT SYSTEMS

The Township's certified full-time fire-fighters belong to the Ohio Police & Fire Pension Fund (OP&F). Part-time fire-fighters pay social security. Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are state operated, cost sharing, multiple employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. Members of OP&F contributed 10.0% of their gross pay, while the Township contributed 24%. OPERS members contributed 9.5% in 2007 and 9% in 2006 of their gross pay while the Township contributed an amount equal to 13.85% and 13.7% of covered payroll, respectively. OPERS (law enforcement) contributed 10.1% of their salaries. The Township contributed an amount equal to 17.17% in 2007 and 16.93% in 2006 of the participant's gross salaries. The Township paid all required contributions through 2007.

6. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public Officials Liability
- Law Enforcement Liability

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

All employees of the Township are covered by a blanket bond, while certain individuals in policy making roles are covered by a separate, higher limit bond coverage.

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006**

6. RISK MANAGEMENT – (Continued)

The Township pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

7. DEBT

Debt outstanding at December 31, 2007 is as follows:

<u>Description:</u>	<u>Principal</u>	<u>Interest Rate</u>
Special Assessment Bonds	\$245,000	6.4 %
	<u>\$245,000</u>	

Principal and interest requirements for debt outstanding at December 31, 2007 is as follows:

<u>Year Ended</u>	<u>Special Assessment Bonds</u>
2008	\$50,680
2009	48,440
2010	46,200
2011	43,960
2012	41,720
2013-2014	<u>76,720</u>
Total	<u>\$307,720</u>

8. JOINT VENTURE

The Township is a member of a Joint Economic District 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 either city and maintains the Township's rural character and property tax base.

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

9. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

**COPLEY TOWNSHIP
SUMMIT COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006**

10. INTERFUND TRANSFERS

A transfer of \$41,515 was made from Special Revenue Fund-Community Recycle Fund to the General fund in 2006 due to the termination of the Community Recycling Program. The remaining fund balance of the program was transferred to the General Fund in accordance with the Ohio Revised Code and the grant agreement.

11. RESTATEMENT OF PRIOR YEAR FUND BALANCE

	12/31/05 Fund Balance		Restatement		Restated Fund Balance 1/1/06
Non-Expendable Trust	\$ 25,051	\$	(25,051)	\$	0
Permanent Fund	0		25,051		25,051

The restatement was done to comply with the Auditor of State requirement stated in Bulletin 2005-005. Bulletin 2005-005 states that local governments that prepare non-GAAP, cash-basis financial statements are required to reclassify their nonexpendable and expendable trust funds as part of the governmental funds or private purpose trust categories effective January 1, 2006.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Copley Township, Summit County
1540 Cleveland-Massillon Rd.
Copley, OH 44321

To the Board of Trustees:

We have audited the financial statements of Copley Township, Summit County, Ohio (Township) as of and for the years ended December 31, 2007 & 2006, and have issued our report thereon dated March 14, 2008, wherein we noted the Township followed accounting practices prescribed or permitted by the Auditor of State of Ohio. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting practices prescribed or permitted by the Auditor of State of Ohio such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated March 14, 2008.

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

Charles E. Harris & Associates, Inc.
March 14, 2008

COPLEY TOWNSHIP
SUMMIT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2007 and 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain: Per ADAM 2001-10 Disclose the current year finding in this schedule
2005-Copley-001	ORC Section 5705.41 (D) - Failure to certify disbursements	Yes	Corrected; Finding No Longer Valid



Mary Taylor, CPA
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
JULY 17, 2008**