



Dave Yost • Auditor of State

**COPLEY TOWNSHIP
SUMMIT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2011	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund For the Year Ended December 31, 2011	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010	7
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Agency Fund For the Year Ended December 31, 2010	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17

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Dave Yost • Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 25, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2011 and 2010. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. 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.

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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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Copley Township, Summit County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 3, during 2011 Copley Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2012 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. 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 the 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.



Dave Yost
Auditor of State

May 25, 2012

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS,CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$917,260	\$6,832,097		\$176,205		\$7,925,562
Charges for Services		402,976				402,976
Licenses, Permits and Fees	156,389	26,645				183,034
Fines and Forfeitures	10,876	2,169				13,045
Intergovernmental	2,373,708	1,103,879		352,181		3,829,768
Special Assessments	6,910	555	\$43,960			51,425
Earnings on Investments	17,187	957			\$32	18,176
Miscellaneous	19,638	109,721				129,359
<i>Total Cash Receipts</i>	<u>3,501,968</u>	<u>8,478,999</u>	<u>43,960</u>	<u>528,386</u>	<u>32</u>	<u>12,553,345</u>
Cash Disbursements						
Current:						
General Government	1,288,857	2,750	513			1,292,120
Public Safety	182,589	6,287,338				6,469,927
Public Works	14,721	1,641,280				1,656,001
Supplies and Material		5,965				5,965
Health	177,163	41,149			10,000	228,312
Human Services		2,500				2,500
Conservation-Recreation	36,980					36,980
Capital Outlay	16,159	250,976		421,422		688,557
Debt Service:						
Principal Retirement			35,000			35,000
Interest and Fiscal Charges			8,960			8,960
<i>Total Cash Disbursements</i>	<u>1,716,469</u>	<u>8,231,958</u>	<u>44,473</u>	<u>421,422</u>	<u>10,000</u>	<u>10,424,322</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,785,499</u>	<u>247,041</u>	<u>(513)</u>	<u>106,964</u>	<u>(9,968)</u>	<u>2,129,023</u>
Other Financing Receipts (Disbursements)						
Transfers In		24,000				24,000
Transfers Out	(24,000)					(24,000)
Advances In	375,119	11,017				386,136
Advances Out	(11,017)	(22,938)		(352,181)		(386,136)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>340,102</u>	<u>12,079</u>	<u>0</u>	<u>(352,181)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,125,601</u>	<u>259,120</u>	<u>(513)</u>	<u>(245,217)</u>	<u>(9,968)</u>	<u>2,129,023</u>
<i>Fund Cash Balances, January 1 (See Note 3)</i>	<u>3,679,295</u>	<u>5,053,395</u>	<u>178,127</u>	<u>1,431,140</u>	<u>28,341</u>	<u>10,370,298</u>
Fund Cash Balances, December 31						
Nonspendable					17,015	17,015
Restricted		5,210,218	177,614	174,408	1,358	5,563,598
Committed		102,297		1,011,514		1,113,811
Assigned	103,679					103,679
Unassigned (Deficit)	5,701,217					5,701,217
<i>Fund Cash Balances, December 31</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>

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

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Operating Cash Receipts	
Licenses, Permits and Fees	<u>\$23,200</u>
Operating Cash Disbursements	
Purchased Services	223
Other	<u>14,400</u>
<i>Total Operating Cash Disbursements</i>	<u>14,623</u>
<i>Operating (Income)</i>	8,577
Non-Operating Receipts	
Miscellaneous Receipts	<u>9,900</u>
<i>Net Change in Fund Cash Balances</i>	18,477
<i>Fund Cash Balances, January 1</i>	<u>306,701</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$325,178</u></u>

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

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$935,678	\$6,979,740		\$165,639		\$8,081,057
Charges for Services		87,576				87,576
Licenses, Permits, and Fees	125,863	36,093				161,956
Fines and Forfeitures	11,513	3,011				14,524
Intergovernmental	973,841	1,143,221		253,642		2,370,704
Special Assessments		565	\$45,713			46,278
Earnings on Investments	17,206	1,309			\$44	18,559
Miscellaneous	6,036	215,535				221,571
Total Cash Receipts	2,070,137	8,467,050	45,713	419,281	44	11,002,225
Cash Disbursements:						
Current:						
General Government	1,580,222	23,796				1,604,018
Public Safety	237,858	6,626,775				6,864,633
Public Works		1,776,995				1,776,995
Health	176,951	27,341				204,292
Supplies and Materials		6,804				6,804
Conservation - Recreation	44,226	981				45,207
Capital Outlay	138,235	370,324		288,483		797,042
Debt Service:						
Redemption of Principal			35,000			35,000
Interest and Other Fiscal Charges			11,200			11,200
Total Cash Disbursements	2,177,492	8,833,016	46,200	288,483	0	11,345,191
Total Receipts Over/(Under) Disbursements	(107,355)	(365,966)	(487)	130,798	44	(342,966)
Other Financing Receipts / (Disbursements):						
Transfers-In		32,395				32,395
Transfers-Out	(27,443)	(4,952)				(32,395)
Advances-In	58,718	55,388		526,588		640,694
Advances-Out	(581,975)	(58,719)				(640,694)
Total Other Financing Receipts / (Disbursements)	(550,700)	24,112	0	526,588	0	0
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(658,055)	(341,854)	(487)	657,386	44	(342,966)
Fund Cash Balances, January 1 (See Note 2)	4,267,125	5,465,240	178,614	773,988	28,297	10,713,264
Fund Cash Balances, December 31	<u>\$3,609,070</u>	<u>\$5,123,386</u>	<u>\$178,127</u>	<u>\$1,431,374</u>	<u>\$28,341</u>	<u>10,370,298</u>
Reserve for Encumbrances, December 31	<u>\$82,109</u>	<u>\$519,849</u>	<u>\$0</u>	<u>\$580,235</u>	<u>\$0</u>	<u>\$1,182,193</u>

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

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Operating Cash Receipts:	
Licenses, Permit and Fees	\$6,400
Operating Cash Disbursements:	
Purchased Services	105
Other	<u>18,400</u>
Total Operating Cash Disbursements	<u>18,505</u>
Operating (Loss)	<u>(12,105)</u>
Non-Operating Cash Receipts:	
Miscellaneous Receipts	7,300
Performance Bond	<u>271,721</u>
Total Non-Operating Cash Receipts	<u>279,021</u>
Net Change in Fund Cash Balances	266,916
Fund Cash Balances, January 1 (Restated See Note 2)	<u>39,785</u>
Fund Cash Balances, December 31	<u><u>\$306,701</u></u>

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

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 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'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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. 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 receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Funds:

Sewer/Water Improvement Fund - The Township received JEDD income tax funds for sewer and water improvements.

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

5. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. 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.

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 fund accounts for monies collected for road and culvert deposits fees.

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 also approve estimated resources.

3. Encumbrances

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

A summary of 2011 and 2010 budgetary activity appears in Note 5.

F. Fund Balance

For December 31, 2011, 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.

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.

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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.

2. PRIOR PERIOD RESTATEMENT

The Township had 2009 checks that were voided and reissued in 2010. This had an effect on reconciling the 2009 audited ending fund balances to the Township's 2010 beginning fund balances.

Township operates a Joint Dispatch Pilot Program with the City of Norton (See Note 10) that was reclassified from an Agency Fund to a Special Revenue Fund.

	Fund Balance at December 31, 2009 (Before Adjustments)	Adjustments Reclassification	Adjusted Fund Balance at December 31, 2010
General	4,265,947	1,178	4,267,125
Special Revenue	5,454,846	10,394	5,465,240
Agency Fund	47,781	(7,996)	39,785

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND CASH BALANCES

For fiscal year 2011, the Township reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

	Fund Balance at December 31, 2010	GASB 54 Change in Fund Structure	Adjusted Fund Balance at December 31, 2010
General	3,609,070	70,225	3,679,295
Special Revenue	5,123,386	(69,991)	5,053,395
Capital Project	1,431,374	(234)	1,431,140

4. 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:

	2011	2010
Demand deposits	(\$255,450)	(\$146,582)
Certificates of deposit	18,342	28,310
Savings deposits	3,601,606	1,255,271
Total deposits	3,364,498	1,136,999
Repurchase agreement	9,460,000	9,540,000
Total deposits and investments	<u>\$12,824,498</u>	<u>\$10,676,999</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

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.

5. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,493,151	\$3,877,087	\$383,936
Special Revenue	8,701,484	8,514,016	(187,468)
Debt Service	43,960	43,960	0
Capital Projects	702,588	528,386	(174,202)
Permanent	35	32	(3)
Fiduciary	70,990	33,100	(37,890)
Total	<u>\$13,012,208</u>	<u>\$12,996,581</u>	<u>(\$15,627)</u>

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

5. BUDGETARY ACTIVITY – (Continued)

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,284,100	\$1,855,165	\$428,935
Special Revenue	9,612,040	8,500,737	1,111,303
Debt Service	56,000	44,473	11,527
Capital Projects	1,431,373	948,657	482,716
Permanent	10,000	10,000	0
Fiduciary	335,221	14,623	320,598
Total	<u>\$13,728,734</u>	<u>\$11,373,655</u>	<u>\$2,355,079</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,053,250	\$2,128,855	\$75,605
Special Revenue	8,577,945	8,554,833	(23,112)
Debt Service	45,713	45,713	0
Capital Projects	945,869	945,869	0
Permanent	45	44	(1)
Fiduciary	319,804	285,421	(34,383)
Total	<u>\$11,942,626</u>	<u>\$11,960,735</u>	<u>\$18,109</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,913,014	\$2,869,019	\$43,995
Special Revenue	9,732,319	9,416,536	315,783
Debt Service	51,000	46,200	4,800
Capital Projects	1,216,588	868,718	347,870
Permanent	10,000	0	10,000
Fiduciary	373,537	18,505	355,032
Total	<u>\$14,296,458</u>	<u>\$13,218,978</u>	<u>\$1,077,480</u>

6. 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.

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

6. PROPERTY TAX – (Continued)

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

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

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

7. DEBT

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Special Assessment Bonds, Series 1994	\$105,000	6%

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

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

	Special Assessment Bonds
Year ending December 31:	
2012	\$41,720
2013	39,480
2014	37,240
Total	\$118,440

8. RETIREMENT SYSTEMS

The Township's certified Fire Fighters 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 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages, respectively. For 2011 and 2010, 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, 2011.

**COPLEY TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

9. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Public Officials Liability; and
- 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. All employees of the Township are covered by a blanket bond, while certain individuals in policy making roles are covered by separate higher bond coverage.

10. Joint Ventures

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 another 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.

The Township also operates a Joint Dispatch Pilot Program with the City of Norton. The Joint Dispatch program is designed to improve police and fire dispatch services while saving both communities money used for equipment, technology, and phone lines. The joint dispatch program will be governed by a Governing Committee composed of the Police Chief or designee, Fire Chief or designee, and City Administrator or designee, from each community. At least four members of the Governing Committee must agree to operational issues. The communities have 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.

11. Contingent Liabilities

The Township is a party to legal proceedings. The Board is of the opinion that the ultimate disposition of the current proceeding will not have a material effect, if any on the financial condition of the Township.

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.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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 Rd.
Copley, Ohio 44321

To the Board of Trustees:

We have audited the financial statements of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated May 25, 2012 wherein we noted the Township adopted Governmental Accounting Standards Board Statements No. 54 (GASB 54). We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. 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*.

Internal Control 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 audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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

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, providing an opinion 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*.

We intend this report solely for the information and use of management, the Board of Trustees and others within the Township. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

May 25, 2012



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
JUNE 28, 2012**