



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 of the cash balances, receipts and disbursements by fund type, and related notes of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2015 and 2014.

### ***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 opinions.

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

As described in Note 1.B 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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, 2015 and 2014, 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 December 31, 2015 and 2014, 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 1.B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016, 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

October 12, 2016

**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, 2015**

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$1,054,066	\$6,573,066	\$0	\$0	\$0	\$7,627,132
Charges for Services	0	522,558	0	0	0	522,558
Licenses, Permits and Fees	139,706	45,288	0	0	0	184,994
Fines and Forfeitures	13,006	2,608	0	0	0	15,614
Intergovernmental	446,997	838,219	0	468,813	0	1,754,029
Special Assessments	9,749	5	0	0	0	9,754
Earnings on Investments	5,802	170	0	0	38	6,010
Miscellaneous	17,941	136,983	0	0	0	154,924
<i>Total Cash Receipts</i>	<u>1,687,267</u>	<u>8,118,897</u>	<u>0</u>	<u>468,813</u>	<u>38</u>	<u>10,275,015</u>
<b>Cash Disbursements</b>						
Current:						
General Government	1,356,242	19,538	0	0	0	1,375,780
Public Safety	549,840	6,224,518	0	0	0	6,774,358
Public Works	0	1,694,514	0	0	0	1,694,514
Health	181,123	17,176	0	0	0	198,299
Human Services	0	25	0	0	0	25
Conservation-Recreation	68,717	0	0	0	0	68,717
Capital Outlay	455,332	366,927	0	277,423	0	1,099,682
<i>Total Cash Disbursements</i>	<u>2,611,254</u>	<u>8,322,698</u>	<u>0</u>	<u>277,423</u>	<u>0</u>	<u>11,211,375</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(923,987)</u>	<u>(203,801)</u>	<u>0</u>	<u>191,390</u>	<u>38</u>	<u>(936,360)</u>
<b>Other Financing Receipts (Disbursements)</b>						
Advances In	299,103	23,228	0	270,000	0	592,331
Advances Out	(293,228)	(22,646)	0	(276,457)	0	(592,331)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,875</u>	<u>582</u>	<u>0</u>	<u>(6,457)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(918,112)</u>	<u>(203,219)</u>	<u>0</u>	<u>184,933</u>	<u>38</u>	<u>(936,360)</u>
<i>Fund Cash Balances, January 1</i>	<u>5,805,862</u>	<u>4,854,507</u>	<u>176,332</u>	<u>1,562,286</u>	<u>18,381</u>	<u>12,417,368</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	17,015	17,015
Restricted	0	4,581,676	176,332	1,746,984	1,404	6,506,396
Committed	0	44,256	0	0	0	44,256
Assigned	174,137	25,356	0	235	0	199,728
Unassigned (Deficit)	4,713,613	0	0	0	0	4,713,613
<i>Fund Cash Balances, December 31</i>	<u>\$4,887,750</u>	<u>\$4,651,288</u>	<u>\$176,332</u>	<u>\$1,747,219</u>	<u>\$18,419</u>	<u>\$11,481,008</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, 2014**

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$894,823	\$6,507,292	\$0	\$0	\$0	\$7,402,115
Charges for Services	-	507,310	0	0	0	507,310
Licenses, Permits and Fees	135,040	25,923	0	0	0	160,963
Fines and Forfeitures	11,082	2,693	0	0	0	13,775
Intergovernmental	394,105	1,060,512	0	177,491	0	1,632,108
Special Assessments	26,061	495	37,259	0	0	63,815
Earnings on Investments	6,680	188	0	0	20	6,888
Miscellaneous	14,781	286,563	0	704	0	302,048
<i>Total Cash Receipts</i>	<u>1,482,572</u>	<u>8,390,976</u>	<u>37,259</u>	<u>178,195</u>	<u>20</u>	<u>10,089,022</u>
<b>Cash Disbursements</b>						
Current:						
General Government	1,544,795	97,297	435	0	0	1,642,527
Public Safety	569,670	6,384,815	0	0	0	6,954,485
Public Works	-	1,828,438	0	0	0	1,828,438
Health	176,663	18,666	0	0	0	195,329
Human Services	-	-	0	9,920	0	9,920
Conservation-Recreation	51,347	-	0	-	0	51,347
Capital Outlay	165,650	255,004	0	104,364	0	525,018
Debt Service:						
Principal Retirement	0	0	35,000	0	0	35,000
Interest and Fiscal Charges	0	0	2,240	0	0	2,240
<i>Total Cash Disbursements</i>	<u>2,508,125</u>	<u>8,584,220</u>	<u>37,675</u>	<u>114,284</u>	<u>0</u>	<u>11,244,304</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,025,553)</u>	<u>(193,244)</u>	<u>(416)</u>	<u>63,911</u>	<u>20</u>	<u>(1,155,282)</u>
<b>Other Financing Receipts (Disbursements)</b>						
Transfers Out	0	(1,249)	0	0	0	(1,249)
Advances In	37,877	21,884	0	6,457	0	66,218
Advances Out	(28,341)	(37,877)	0	0	0	(66,218)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,536</u>	<u>(17,242)</u>	<u>0</u>	<u>6,457</u>	<u>0</u>	<u>(1,249)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,016,017)</u>	<u>(210,486)</u>	<u>(416)</u>	<u>70,368</u>	<u>20</u>	<u>(1,156,531)</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>6,821,879</u>	<u>5,064,993</u>	<u>176,748</u>	<u>1,491,918</u>	<u>18,361</u>	<u>13,573,899</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	17,015	17,015
Restricted	0	4,793,577	176,332	1,562,051	1,366	6,533,326
Committed	0	44,256	0	0	0	44,256
Assigned	229,032	16,674	0	235	0	245,941
Unassigned (Deficit)	5,576,830	0	0	0	0	5,576,830
<i>Fund Cash Balances, December 31</i>	<u>\$5,805,862</u>	<u>\$4,854,507</u>	<u>\$176,332</u>	<u>\$1,562,286</u>	<u>\$18,381</u>	<u>\$12,417,368</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, 2015 AND 2014**

	2015	2014
<b>Operating Cash Receipts</b>		
Licenses, Permits and Fees	\$36,800	\$0
Miscellaneous	14,847	12,739
	51,647	12,739
<b>Operating Cash Disbursements</b>		
Other	17,964	66,146
	17,964	66,146
<i>Operating Income (Loss)</i>	33,683	(53,407)
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	33,683	(53,407)
Transfers In	0	1,249
<i>Net Change in Fund Cash Balances</i>	33,683	(52,158)
<i>Fund Cash Balances, January 1</i>	34,750	86,908
<i>Fund Cash Balances, December 31</i>	\$68,433	\$34,750

*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, 2015 AND 2014**

**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 participates in two jointly governed organizations and one joint venture. Notes 10 and 11 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

Copley-Akron Joint Economic Development District (JEDD) - Established to collect income tax revenue in order to facilitate economic development and to create and preserve jobs and employment opportunities within the JEDD area.

Southwest Summit Council of Governments – Established to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**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.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

**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.

**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 fund

Sewer/Water Improvement Fund – This fund is used to account for money received from the JEDD and used for sewer/water improvement projects.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

**D. Fund Accounting**

**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.

**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 unclaimed monies, road and culvert deposit fees, construction bonds, fire claims – insurance escrow amounts, and donations collected by committees for community events.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 2015 and 2014 budgetary activity appears in Note 4.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

**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.

**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.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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

**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 made accounting adjustments to 2013 activity including the voiding of 2013 checks that were reissued in 2014.

	<b>Fund Balance at December 31, 2013</b>	<b>Adjustment Amount</b>	<b>Restated Fund Balance at January 1, 2014</b>
General	\$6,854,670	(\$32,791)	\$6,821,879
Special Revenue	5,032,084	32,909	5,064,993
Capital Projects	1,491,683	235	1,491,918

**3. 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:

	2015	2014
Demand deposits	\$7,921,349	\$8,825,143
Certificates of deposit	18,421	18,384
Other time deposits (savings and NOW accounts)	3,609,671	3,608,591
Total deposits and investments	\$11,549,441	\$12,452,118

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

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and December 31, 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,650,423	\$1,687,267	\$36,844
Special Revenue	7,976,375	8,118,897	142,522
Capital Projects	468,813	468,813	0
Permanent	38	38	0
Total	\$10,095,649	\$10,275,015	\$179,366

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**4. BUDGETARY ACTIVITY (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,301,204	\$3,078,619	\$222,585
Special Revenue	9,870,247	8,907,347	962,900
Capital Projects	784,126	553,880	230,246
Permanent	1,376	0	1,376
Total	\$13,956,953	\$12,539,846	\$1,417,107

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,463,316	\$1,482,572	\$19,256
Special Revenue	8,411,807	8,390,976	(20,831)
Debt Service	37,241	37,259	18
Capital Projects	474,652	178,195	(296,457)
Permanent	10	20	10
Total	\$10,387,026	\$10,089,022	(\$298,004)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,180,872	\$2,765,498	\$415,374
Special Revenue	9,970,995	9,116,230	854,765
Debt Service	37,740	37,675	65
Capital Projects	1,932,622	121,719	1,810,903
Permanent	1,346	0	1,346
Total	\$15,123,575	\$12,041,122	\$3,082,453

**5. 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.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**6. DEBT**

The Township had no debt outstanding at December 31, 2015.

The Township issued Special Assessment Bonds for street improvements in 1994 and retired this debt during 2014. The Township's taxing authority collected assessments on those improved properties.

**7. DEFINED BENEFIT PENSION PLANS**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Township employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

	State and Local	Public Safety	Law Enforcement
<b>2015 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2015 Actual Contribution Rates</b>			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
<b>Total Employer</b>	<b>14.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Employee</b>	<b>10.0 %</b>	<b>12.0 %</b>	<b>13.0 %</b>
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township has paid all contributions required through December 31, 2015.

**8. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Inland marine;
- Umbrella;
- Public Officials Liability Fund; and
- Police Professional Liabilities

**9. CONTINGENT LIABILITIES**

The Township is a party to various 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.

**COPLEY TOWNSHIP  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**10. JOINT VENTURES**

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

**11. 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 payroll withholding tax on those businesses. At the same time, the JEDD prevents annexation of Township property by another city and remains the Township's rural character and property tax base.

The Township is a member of the Southwest Summit Council of Governments (COG) with the cities of Norton and Barberton in order to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. In 2014, the Southwest Summit Council of Governments began independent operations of the Southwest Summit Communications Center (SWSCOM), a shared public safety dispatch center, governed by a committee composed of the police chief or designee and the fire chief or designee from each community. Start-up costs were shared equally and recurring costs are shared based on a formula created and agreed to by the entities involved. For SWSCOM, Copley Township is responsible for 31% of recurring costs. In July 2015, the COG created a joint information technology (IT) department in order to provide IT support to Copley Township, the cities of Norton and Barberton and SWSCOM. Hardware or capital expenditures required for a particular entity are paid for by that entity. The IT department is housed within SWSCOM and governed by the same committee that operates SWSCOM.



# 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 the cash balances, receipts, and disbursements by fund type of Copley Township, Summit County, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated October 12, 2016 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

October 12, 2016



# 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  
OCTOBER 20, 2016**