



OHIO AUDITOR OF STATE
KEITH FABER



**COPLEY TOWNSHIP
SUMMIT COUNTY
DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Copley Township, Summit County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2024

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Copely Township
Summit County, Ohio
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022*

	General	Special Revenue	Capital Projects	Permanent	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 1,378,594	\$ 9,952,354	\$ -	\$ -	\$ 11,330,948
Charges for Services	-	564,926	-	-	564,926
Licenses, Permits and Fees	136,057	61,186	-	-	197,243
Fines and Forfeitures	455	8,600	-	-	9,055
Intergovernmental	480,540	2,494,901	-	-	2,975,441
Special Assessments	3,705	-	-	-	3,705
Earnings on Investments	38,269	1,390	-	208	39,867
Miscellaneous	44,208	470,953	-	-	515,161
<i>Total Cash Receipts</i>	<u>2,081,828</u>	<u>13,554,310</u>	<u>-</u>	<u>208</u>	<u>15,636,346</u>
Cash Disbursements					
Current:					
General Government	1,845,358	293,878	-	-	2,139,236
Public Safety	10,242	9,318,981	-	-	9,329,223
Public Works	-	1,828,591	-	-	1,828,591
Health	180,029	15,028	-	-	195,057
Human Services	-	21,235	-	-	21,235
Conservation-Recreation	81,892	-	-	-	81,892
Capital Outlay	40,477	191,647	64,360	-	296,484
Debt Service:					
Principal Retirement	-	91,262	-	-	91,262
Interest and Fiscal Charges	-	6,772	-	-	6,772
<i>Total Cash Disbursements</i>	<u>2,157,998</u>	<u>11,767,394</u>	<u>64,360</u>	<u>-</u>	<u>13,989,752</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(76,170)</u>	<u>1,786,916</u>	<u>(64,360)</u>	<u>208</u>	<u>1,646,594</u>
Other Financing Receipts (Disbursements)					
Transfers In	-	1,731,689	756,649	-	2,488,338
Transfers Out	-	(756,649)	(1,731,689)	-	(2,488,338)
Advances In	134,780	176,567	-	-	311,347
Advances Out	(176,567)	(134,780)	-	-	(311,347)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(41,787)</u>	<u>1,016,827</u>	<u>(975,040)</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(117,957)</u>	<u>2,803,743</u>	<u>(1,039,400)</u>	<u>208</u>	<u>1,646,594</u>
<i>Fund Cash Balances, January 1</i>	<u>2,021,404</u>	<u>5,163,734</u>	<u>2,836,550</u>	<u>19,501</u>	<u>10,041,189</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,903,447</u>	<u>\$ 7,967,477</u>	<u>\$ 1,797,150</u>	<u>\$ 19,709</u>	<u>\$ 11,687,783</u>

See accompanying notes to the basic financial statements

Copely Township
Summit County, Ohio
*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 1,600
Gifts and Donations	12,496
<i>Total Additions</i>	14,096
Deductions	
Other Distributions	20,430
<i>Total Deductions</i>	20,430
<i>Net Change in Fund Balances</i>	(6,334)
<i>Fund Cash Balances, January 1</i>	90,742
<i>Fund Cash Balances, December 31</i>	\$ 84,408

See accompanying notes to the basic financial statements

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting 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.

Joint Ventures, Jointly Governed Organization, Public Entity Risk Pool and Component Unit

The Township participates in two joint ventures, one jointly governed organization, one public entity risk pool, and one component unit. Notes 12-15 to the financial statements provides additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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

Ambulance Fund – This fund received fees charged for ambulance runs to operate and maintain the Township's Fire/EMT Department.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Gas Tax Fund – This fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of road with the Township.

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

Bond Retirement Fund – This fund is used to accumulate resources for the principal and interest on the Township's debt.

Capital Improvements – This fund was established on March 31, 2020 to capture revenue from the City of Akron JEDD Income Tax for community and economic development projects in the Township. On March 28, 2022, funds that had been collected in the Sewer/Water Improvement Fund and earmarked for sewer/water improvement projects, were transferred to this Capital Improvement fund.

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 project Capital Project fund:

Sewer/Water Improvement Fund – This fund was used to account for money received from the JEDD and used for sewer/water improvement projects from 2005-2015. The Township Trustees rescinded the former resolution on March 16, 2016 and adopted a new resolution allowing the money collected to date to remain in the fund for the original purpose. Subsequent revenue received was placed in the General Fund to be used for the general improvement of the Township. On March 28, 2022, the Board of Trustees approved the transfer of funds totaling \$1,731,689 from the Sewer/Water Improvement Fund to the special revenue fund, Capital Improvements, to be used for future capital projects.

2081 Police Capital Projects – This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Police Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2081 Police District to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

2111 Fire Capital Projects – This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Fire Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2111 Fire District to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

2191 EMS Capital Projects - This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Fire Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2191 Fire/EMS to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

2281 Ambulance Capital Projects - This fund was created on April 11, 2022 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Fire Department. Each year, if feasible, the Township Trustees

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

will authorize monies to be transferred from Fund #2281 Ambulance and Emergency Medical fund to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, are 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 Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial 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.

Custodial 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 custodial funds account for road and culvert deposit fees, construction bonds, fire claims – insurance escrow amounts, and donations collected by committees for community charitable events.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund except certain custodial funds be budgeted annually.

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.

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

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

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

A summary of 2022 budgetary activity appears in Note 3.

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.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

Restricted Fund balance is restricted when constraints placed on the use or resources are either externally imposed by creditors (such as through debt covenant's), grantors, contributors, or laws or regulations of other government, or is imposed by law through constitutional provisions.

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 incorporated contractual obligation to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. Government 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.

Unassigned Unassigned fund balance is the residual classification from 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.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

For regulatory purposes, limited disclosures related to fund balance are included in Note 16.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,073,915	\$ 2,081,828	\$ 7,913
Special Revenue	15,344,969	15,285,999	(58,970)
Capital Projects	756,649	756,649	-
Permanent	96	208	112
Fiduciary	<u>14,096</u>	<u>14,096</u>	<u>-</u>
Total	<u>\$ 18,189,725</u>	<u>\$ 18,138,780</u>	<u>\$ (50,945)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,965,870	\$ 2,437,034	\$ 528,836
Special Revenue	15,142,051	13,546,855	1,595,196
Capital Projects	2,050,305	1,885,653	164,652
Permanent	-	-	-
Fiduciary	<u>1,875</u>	<u>19,430</u>	<u>(17,555)</u>
Total	<u>\$ 20,160,101</u>	<u>\$ 17,888,972</u>	<u>\$ 2,271,129</u>

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts at December 31, 2022 follows:

Demand Deposits	\$ 559,366
Other Time deposits (savings accounts)	<u>11,212,825</u>
Total Deposits	<u>\$ 11,772,191</u>

At December 31, 2022, the Township held zero (\$0) in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation (FDIC) or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. At December 31, 2022, \$10,030,753 of deposits were not insured or collateralized.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and roll back deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payment 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.

Note 6 - Interfund Balances

Outstanding advances at December 31, 2022 consisted of \$661 advanced to the Reimbursable Grant – Training & Equipment Fund, \$9,600 advanced to the NOPEC Energy Grant Fund, \$17,235 advanced to the REWORKS Grant Fund and \$57,461 advanced to the 2021 Fire District Fund to cover expenditures for reimbursable grant activities.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 - Risk Management

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

Commercial Insurance

The Township has obtained commercial insurance for the following risk.

- Comprehensive property and general liability
- Vehicles; and
- Errors and Omissions

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The Ohio Revised code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members who are not Law Enforcement Professionals contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants gross salaries. OPERS members who are Law Enforcement Professionals contributed 13% and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

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

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

Social Security

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

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

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 - Post-Employment Benefits

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

Note 10- Debt

Financed Purchase The Township has entered into financed purchase agreements for a water tender truck where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$98,034 (Principal of \$91,262 and Interest of \$6,772) to pay these costs for the fiscal year ended December 31, 2022.

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

Year Ending December 31	Financed Purchase
2023	\$98,034

In November 2022, the voters of the Township approved a \$20.5 million dollar bond issue to finance the construction of a new Joint Police and Fire Safety Facility, the extension of infrastructure connecting two major thoroughfares and providing access to the new facility and the refurbishment of the abandoned Fire Bays into a Community Room once construction of the new facility is complete.

Note 11- Contingent Liabilities

The Township is party to legal proceedings. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Note 12- 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.

The Township participates in the Southwest Summit Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between Copley Township, the City of Norton, the City of Barberton and Springfield Township. The Council is controlled by an executive board which is composed of a President, Vice President/Secretary, and Fiscal Officer who serve without compensation. Each member's control over the operation of the Council is limited to its representation on the board. Currently, the Board President of Copley Township serves as the Fiscal Officer and a Board of Director of the Council. The Council was formed to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

governmental agencies and private persons, corporations, or agencies. Continued existence of the Council is dependent on the Township's continued participation; however, the Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. In 2022, the Township contributed \$757,582 to the Council for dispatch and information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 13- Jointly Governed Organization

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 located within the JEDD while the JEDD is required to collect payroll withholding tax from those businesses. At the same time, the JEDD prevents annexation of Township property to another city and maintains the Township's rural character and property tax base.

Note 14 – Public Entity Risk Pool

The Township participates in the Ohio Township Association 42 Group Rating Program for Worker's Compensation. Each year the participants an enrollment fee to the program to cover the costs of administering the program.

Note 15 - Component Unit

The Copley Community Improvement Corporation (CIC) is a not-for-profit corporation under Chapter 1724 of the Ohio Revised Code in August 2017. The purpose of the CIC is to serve the resident of the Township in the revitalization and enhancement of property and the business environment of the Township by advancing, encouraging and promoting the industrial, economic, commercial and civic development of the Township. The CIC is component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statements No. 14. The Township appoints four of the eleven CIC Board of Director members and presently, a majority of the CIC funding is received from the Township. Separately issued financial statements can be obtained from the CIC, 1540 S. Cleveland Massillon Road, Copley, Ohio 44321.

Note 16 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies	\$ 3,765	\$ -	\$ -	\$ -	\$ 3,765
Corpus	-	-	-	17,015	17,015
Outstanding Encumbrances	279,036	1,022,812	89,604	-	1,391,452
Total	\$ 282,801	\$ 1,022,812	\$ 89,604	\$ 17,015	\$ 1,412,232

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Note 17 – American Rescue Plan Act (ARPA)

The Township received Federal funds in the amount of \$912,275 as the Township's second installment of the American Rescue Plan Act, bringing total receipts to \$1,817,324. These federal funds from the American Rescue Plan help deal with pandemic-related and other allowable expenses. On May 10, 2021 the U.S. Treasury Department released an Interim Final Rule that provides further direction on allowable uses and reporting requirements. As of December 31, 2022, the Township has not spent any of the American Rescue Plan Act monies.

Note 18 – Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio Memorandum of Understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2022, distributions of \$18,381 are reflected as intergovernmental revenue in the OneOhio Opioid Settlement Special Revenue Fund in the accompanying financial statements.

Copely Township
Summit County, Ohio
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Permanent	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$ 1,315,172	\$ 9,639,404	\$ -	\$ -	\$ 10,954,576
Charges for Services	-	522,591	-	-	522,591
Licenses, Permits and Fees	135,799	42,166	-	-	177,965
Fines and Forfeitures	5,585	19,070	-	-	24,655
Intergovernmental	475,871	2,170,673	-	-	2,646,544
Special Assessments	17,037	-	-	-	17,037
Earnings on Investments	2,665	45	-	332	3,042
Miscellaneous	75,701	353,144	-	-	428,845
<i>Total Cash Receipts</i>	<u>2,027,830</u>	<u>12,747,093</u>	<u>-</u>	<u>332</u>	<u>14,775,255</u>
Cash Disbursements					
Current:					
General Government	1,724,506	396,770	-	-	2,121,276
Public Safety	9,517	8,498,851	-	-	8,508,368
Public Works	-	1,663,585	-	-	1,663,585
Health	175,749	33,411	-	-	209,160
Human Services	-	13,804	-	-	13,804
Conservation-Recreation	48,876	-	-	-	48,876
Capital Outlay	14,621	515,826	13,702	-	544,149
Debt Service:					
Principal Retirement	-	88,053	-	-	88,053
Interest and Fiscal Charges	-	9,981	-	-	9,981
<i>Total Cash Disbursements</i>	<u>1,973,269</u>	<u>11,220,281</u>	<u>13,702</u>	<u>-</u>	<u>13,207,252</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,561</u>	<u>1,526,812</u>	<u>(13,702)</u>	<u>332</u>	<u>1,568,003</u>
Other Financing Receipts (Disbursements)					
Advances In	32,885	55,806	-	-	88,691
Advances Out	(55,806)	(32,885)	-	-	(88,691)
Other Financing Sources	-	110	-	-	110
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(22,921)</u>	<u>23,031</u>	<u>-</u>	<u>-</u>	<u>110</u>
<i>Net Change in Fund Cash Balances</i>	31,640	1,549,843	(13,702)	332	1,568,113
<i>Fund Cash Balances, January 1</i>	<u>1,989,764</u>	<u>3,613,891</u>	<u>2,850,252</u>	<u>19,169</u>	<u>8,473,076</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,021,404</u>	<u>\$ 5,163,734</u>	<u>\$ 2,836,550</u>	<u>\$ 19,501</u>	<u>\$ 10,041,189</u>

See accompanying notes to the basic financial statements

Copely Township
Summit County, Ohio
*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2021*

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 800
Gifts and Donations (trusts funds only)	28,262
<i>Total Additions</i>	29,062
Deductions	
Other Distributions	20,981
<i>Total Deductions</i>	20,981
<i>Net Change in Fund Balances</i>	8,081
<i>Fund Cash Balances, January 1</i>	82,661
<i>Fund Cash Balances, December 31</i>	\$ 90,742

See accompanying notes to the basic financial statements

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting 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.

Joint Ventures, Jointly Governed Organization, Public Risk Pool and Component Unit

The Township participates in two joint ventures, one jointly governed organization, one public entity risk pool, and one component unit. Notes 12-15 to the financial statements provides additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Police District Fund – This fund received property tax money to operate and maintain the Township’s Police Department.

Fire District Fund – This fund received property tax money to operate and maintain the Township’s Fire Department.

Ambulance Fund – This fund received fees charged for ambulance runs to operate and maintain the Township’s Fire/EMT Department.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Gas Tax Fund – This fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of road with the Township.

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

Capital Improvements – This fund was established on March 31, 2020 to capture revenue from the City of Akron JEDD Income Tax for community and economic development projects in the Township.

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 was used to account for money received from the JEDD and used for sewer/water improvement projects from 2005-2015. The Township Trustees rescinded the former resolution on March 16, 2016 and adopted a new resolution allowing the money collected to date to remain in the fund for the original purpose. Subsequent revenue received was placed in the General Fund to be used for the general improvement of the Township.

2081 Police Capital Projects – This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Police Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2081 Police District to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

2111 Fire Capital Projects – This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Fire Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2111 Fire District to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

2191 EMS Capital Projects - This fund was created on December 7, 2020 to establish a capital projects fund for the purpose of accumulating resources for the acquisition, construction or improvement of fixed assets of the Fire Department. Each year, if feasible, the Township Trustees will authorize monies to be transferred from Fund #2191 Fire/EMS to this capital projects fund in an amount not to exceed one-sixth of the previous year's expenses.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, are 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 Cemetery Endowment Fund – The cemetery endowment fund accounts for and reports interest earned on the nonexpendable corpus from a trust agreement restricted for the general maintenance and upkeep of the Township's cemetery.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial 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.

Custodial 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 custodial funds account for road and culvert deposit fees, construction bonds, fire claims – insurance escrow amounts, and donations collected by committees for community charitable events.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund except certain custodial funds be budgeted annually.

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.

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

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

A summary of 2021 budgetary activity appears in Note 3.

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
For the Year Ended December 31, 2021

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

Restricted Fund balance is restricted when constraints placed on the use or resources are either externally imposed by creditors (such as through debt covenant's), grantors, contributors, or laws or regulations of other government, or is imposed by law through constitutional provisions.

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 incorporated contractual obligation to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. Government 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.

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

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

For regulatory purposes, limited disclosures related to fund balance are included in Note 16.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,936,733	\$ 2,027,830	\$ 91,097
Special Revenue	12,779,435	12,747,093	(32,342)
Capital Projects	-	-	-
Permanent	332	332	-
Fiduciary	-	29,062	29,062
Total	<u>\$ 14,716,500</u>	<u>\$ 14,804,317</u>	<u>\$ 87,817</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,895,351	\$ 2,431,953	\$ 463,398
Special Revenue	13,757,409	11,979,289	1,778,120
Capital Projects	1,889,689	13,918	1,875,771
Permanent	-	-	-
Fiduciary	-	22,856	(22,856)
Total	<u>\$ 18,542,449</u>	<u>\$ 14,448,016</u>	<u>\$ 4,094,433</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit accounts at December 31, 2021 follows:

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Demand Deposits	\$ 6,487,178
Other Time deposits (savings accounts)	<u>3,644,753</u>
Total Deposits	<u>\$ 10,131,931</u>

At December 31, 2021, the Township held zero (\$0) in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation (FDIC) or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. At December 31, 2021, \$3,459,089 of deposits were not insured or collateralized.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and roll back deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payment 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.

Note 6 - Interfund Balances

Outstanding advances at December 2021 consisted \$23,230 advanced to the NOPEC Energy Grant Fund, \$17,307 advanced to the 2021 REWORKS Grant Fund, and \$2,633 advanced to the 2021 EMS Grant Fund to cover expenditures for the reimbursable grant activities.

Note 7 - Risk Management

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

Commercial Insurance

The Township has obtained commercial insurance for the following risk.

- Comprehensive property and general liability

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

- Vehicles; and
- Errors and Omissions

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The Ohio Revised code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members who are not Law Enforcement Professionals contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants gross salaries. OPERS members who are Law Enforcement Professionals contributed 13% and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% percent of full-time firefighter's wages. The Township has paid all contributions required by December 31, 2121.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participant's gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 - Post-Employment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the member directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these balances.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Financed Purchases The Township has entered into a financed purchase agreement for a water tender truck under a noncancelable lease where ownership of the underlying asset transfers to the Township at the end of the contract. The Township disbursed \$98,034 (Principal of \$88,053 and Interest of \$9,981) to pay these costs for the year ended December 31, 2021.

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

Year Ending December 31	Financed Purchases
2022	\$ 98,034
2023	<u>98,034</u>
Total	<u>\$196,068</u>

Note 11 - Contingent Liabilities

The Township is party to legal proceedings. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Note 12 - 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.

The Township participates in the Southwest Summit Council of Governments (Council) which is a statutorily created political subdivision of the State. The Council is a joint venture between Copley Township, the City of Norton, the City of Barberton and Springfield Township. The Council is controlled by an executive board which is composed of a President, Vice President/Secretary, and Fiscal Officer who serve without compensation. Each member's control over the operation of the Council is limited to its representation on the board. Currently, the Board President of Copley Township serves as the Fiscal Officer and a Board of Director of the Council. The Council was formed to share services, promote cooperative arrangements, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Continued existence of the Council is dependent on the Township's continued participation; however, the Township does not have an equity interest in the Council. The Council is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the Township. In 2021, the Township contributed \$757,582 to the Council for dispatch and information technology services. Complete financial statements can be obtained from the Southwest Summit Council of Governments, Summit County, Ohio.

Note 13- Jointly Governed Organization

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 located within the JEDD while the JEDD is required to collect payroll withholding tax from those businesses. At the same time, the JEDD prevents annexation of Township property to another city and maintains the Township's rural character and property tax base.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 14 – Public Entity Risk Pool

The Township participates in the Ohio Township Association 42 Group Rating Program for Worker's Compensation. Each year the participants an enrollment fee to the program to cover the costs of administering the program.

Note 15 - Component Unit

The Copley Community Improvement Corporation (CIC) is a not-for-profit corporation under Chapter 1724 of the Ohio Revised Code in August 2017. The purpose of the CIC is to serve the resident of the Township in the revitalization and enhancement of property and the business environment of the Township by advancing, encouraging and promoting the industrial, economic, commercial and civic development of the Township. The CIC is component unit of the Township, as the Township is financially accountable for the CIC under the criteria of Governmental Accounting Standards Board Statements No. 14. The Township appoints four of the eleven CIC Board of Director members and presently, a majority of the CIC funding is received from the Township. Separately issued financial statements can be obtained from the CIC, 1540 S. Cleveland Massillon Road, Copley, Ohio 44321.

Note 16 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies	\$ 3,765	\$ -	\$ -	\$ -	\$ 3,765
Corpus	-	-	-	17,015	17,015
Outstanding Encumbrances	402,878	726,123	216	-	1,129,217
Total	<u>\$ 406,643</u>	<u>\$ 726,123</u>	<u>\$ 216</u>	<u>\$ 17,015</u>	<u>\$ 1,149,997</u>

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

Note 17 – American Rescue Plan Act (ARPA)

The Township received Federal funds in the amount of \$905,049 as the Township's first installment of the American Rescue Plan Act. These federal funds from the American Rescue Plan help deal with pandemic-related and other allowable expenses. On May 10, 2021 the U.S. Treasury Department released an Interim Final Rule that provides further direction on allowable uses and reporting requirements.

Copley Township
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 18 – Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio Memorandum of Understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. No distributions were received during 2021.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
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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 the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Copley Township, Summit County, (the Township) and have issued our report thereon dated February 28, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2024



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2022 and 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Rev. Code § 507.09(D) – The Township did not complete time certifications for time spent servicing individual Township funds.	Fully Corrected	None.
2020-002	Financial Reporting – The Township had various errors on their financial reports that resulted in adjustments affecting intergovernmental receipts and payroll disbursements related to COVID-19, Earnings on Investments, and Fund Type Classification.	Partially Corrected	Errors related to intergovernmental receipts and payroll disbursements related to COVID-19 and Earnings on Investments were corrected. Errors related to Fund Type Classification were not corrected and are repeated in the Management Letter.

Board of Trustees

Scott D. Dressler
 Bruce D. Koellner
 James M. Schulte

Administrator

Janice L. Marshall

Fiscal Officer

Linda J. Peiffer

Fire Dept.

Chris Bower, Chief
 330.666.6464

Police Dept.

Michael Mier, Chief
 330.666.4218

Service Dept.

Greg Tracy, Director
 330.666.0365

Community & Economic Development

Loudan Klein
 Director
 330.666.0108

Shawna Gfroerer
 Zoning Inspector

Jeff Newman
 Code Enforcement Officer



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OHIO AUDITOR OF STATE KEITH FABER



COPLEY TOWNSHIP

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/21/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov