



Mary Taylor, CPA
Auditor of State

**DOVER TOWNSHIP
ATHENS COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Dover Township
Athens County
13880 Mill Creek Road
Millfield, Ohio 45761

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Athens County, Ohio, as of December 31, 2009 and 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fire Fund, Special Levy Cemetery Fund, and Special Levy Road Maintenance Fund, thereof, for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2010, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 12, 2010

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

This discussion and analysis of Dover Township's (the Township) financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009 and 2008, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased by \$30,071, or 10 percent. The increased resulted primarily from the Township paying off debt in 2008, which reduced debt payments from \$60,911 to \$28,004 (difference of \$32,907).

The Township's general receipts are primarily property taxes and intergovernmental revenues. These receipts represent \$387,530 and 72 percent of the total cash received for governmental activities during the year.

The Township issued debt in the amount of \$80,000 for the purchase of a John Deere Tractor.

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased by \$40,086, or 12 percent. The decrease resulted primarily from the Township receiving capital project funds in 2007 (\$40,809), which were not received in 2008.

The Township's general receipts are primarily property tax and intergovernmental revenues. These receipts represent \$300,687 and 63 percent of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities - Most of the Township's basic services are reported here. State and federal grants, gasoline tax, property taxes, local government distribution, and fire levy finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs.

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fire Fund, Special Levy Cemetery Fund, and Special Levy Road Maintenance Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 and 2007 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$323,928	\$293,857	\$333,943
Total Assets	\$323,928	\$293,857	\$333,943
Net Assets			
Restricted for:			
Other Purposes	257,508	210,795	245,576
Unrestricted	66,420	83,062	88,367
Total Net Assets	\$323,928	\$293,857	\$333,943

Net assets of governmental activities increased by \$30,071, or 10 percent. The increased resulted primarily from the Township paying off debt in 2008, which reduced debt payments from \$60,911 to \$28,004 (difference of \$32,907).

Net assets of governmental activities decreased by \$40,086, or 12 percent. The decrease resulted primarily from the Township receiving capital project funds in 2007 (\$40,809), which were not received in 2008.

Table 2 reflects the changes in net assets on a cash basis in 2009, 2008 and 2007 for governmental activities.

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2009	2008	2007
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$4,250	\$3,275	\$1,850
Operating Grants and Contributions	143,352	156,687	172,658
Capital Grants and Contributions		18,962	40,809
Total Program Receipts	<u>147,602</u>	<u>178,924</u>	<u>215,317</u>
General Receipts:			
Property Taxes	247,410	241,477	245,605
Grants and Entitlements Not Restricted to Specific Programs	41,646	48,436	81,000
Other Debt Proceeds	80,400		45,000
Sale of Fixed Assets	14,300		105
Interest	607	1,445	2,024
Miscellaneous	3,167	9,329	99
Total General Receipts	<u>387,530</u>	<u>300,687</u>	<u>373,833</u>
Total Receipts	<u>535,132</u>	<u>479,611</u>	<u>589,150</u>
Disbursements:			
General Government	76,983	83,025	81,427
Public Safety	34,356	28,639	70,067
Public Works	199,291	317,396	287,613
Health	38,860	19,417	18,835
Human Services			438
Capital Outlay	127,466	10,309	77,984
Debt Service:			
Principal Retirement	27,327	58,200	12,822
Interest and Fiscal Charges	778	2,711	1,340
Total Disbursements	<u>505,061</u>	<u>519,697</u>	<u>550,526</u>
Increase (Decrease) in Net Assets	30,071	(40,086)	38,624
Net Assets, January 1	<u>293,857</u>	<u>333,943</u>	<u>295,319</u>
Net Assets, December 31	<u>\$323,928</u>	<u>\$293,857</u>	<u>\$333,943</u>

Program receipts represent 28 percent in 2009 and 37 percent in 2008 of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gasoline tax money.

General receipts represent 72 percent in 2009 and 63 percent in 2008 of the Township's total receipts. Taxes represent 64 percent of general receipts in 2009 and represent 80 percent of general receipts in 2008.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include, but aren't limited to, the costs of officials' and full-time employee's salaries, insurance, retirement, worker's compensation, and unemployment compensation and utilities. Public Safety is the cost of fire; Public Works is the general maintenance as well as repair of roads; Health Services is the cost for cemetery; and Capital Outlay is the cost of equipment purchased by the Township.

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Governmental Activities

If you look at the Statement of Activities on pages 10 and 20, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for General Government and Public Works, which account for 15 and 39 percent of all governmental disbursements, respectively for 2009. The major program disbursements for governmental activities are for General Government and Public Works, which account for 16 and 61 percent of all governmental disbursements, respectively for 2008. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
General Government	\$76,983	\$76,983	\$83,025	\$83,025	\$81,427	\$81,427
Public Safety	34,356	22,019	28,639	17,213	70,067	50,456
Public Works	199,291	74,172	317,396	177,874	287,613	140,783
Health	38,860	28,714	19,417	10,403	18,835	10,768
HumanServices					438	438
Capital Outlay	127,466	127,466	10,309	(8,653)	77,984	37,175
Principal Retirement	27,327	27,327	58,200	58,200	12,822	12,822
Interest and Fiscal Charges	778	778	2,711	2,711	1,340	1,340
Total Expenses	\$505,061	\$357,459	\$519,697	\$340,773	\$550,526	\$335,209

The dependence upon property tax and grants and entitlement receipts is apparent as over 77 percent of governmental activities are supported through the general receipts in 2009.

The dependence upon property tax and grants and entitlement receipts is apparent as over 58 percent of governmental activities are supported through the general receipts in 2008.

The Township's Funds

During 2009 total governmental funds had receipts of \$535,132 and disbursements of \$505,061. The greatest change within governmental funds occurred within the Special Levy Fire Fund. The fund balance of the Special Levy Fire Fund increased \$24,850 because of paying off debt in that fund.

During 2008 total governmental funds had receipts of \$479,611 and disbursements of \$519,697. The greatest change within governmental funds occurred within the Road and Bridge Fund because the Township did not purchase equipment in 2008, but they did in 2007.

Dover Township
Athens County
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
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Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2009, final disbursements were budgeted at \$93,750 for the General Fund, \$105,000 for the Gasoline Tax Fund, \$152,550 for the Road and Bridge Fund, \$121,671 for the Special Levy Fire Fund, \$77,958 for the Special Levy Cemetery Fund and \$181,980 for the Special Levy Road Maintenance Fund, while actual disbursements were \$73,298 in the General Fund, \$101,152 in the Gasoline Tax Fund, \$105,621 in the Road and Bridge Fund, \$35,455 in the Special Levy Fire Fund, \$39,636 in the Special Levy Cemetery Fund and \$170,781 in the Special Levy Road Maintenance Fund.

During 2008, final disbursements were budgeted at \$113,000 for the General Fund, \$105,000 for the Gasoline Tax Fund, \$170,680 for the Road and Bridge Fund, \$120,671 for the Special Levy Fire Fund, \$77,958 for the Special Levy Cemetery Fund and \$95,000 for the Special Levy Road Maintenance Fund, while actual disbursements were \$69,672 in the General Fund, \$100,637 in the Gasoline Tax Fund, \$111,430 in the Road and Bridge Fund, \$75,529 in the Special Levy Fire Fund, \$19,831 in the Special Levy Cemetery Fund and \$83,421 in the Special Levy Road Maintenance Fund.

Debt Administration

Debt

At December 31, 2009, the Township's outstanding debt included \$80,000 for debt issued for the purchase of a John Deere Tractor. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

At December 31, 2008, the Township's outstanding debt included \$27,327 for debt issued for the purchase of a 2005 Truck. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tina Willis, Township Fiscal Officer, Dover Township, 13880 Mill Creek Road, Millfield, Ohio 45761.

DOVER TOWNSHIP, ATHENS COUNTY

Statement of Net Assets - Cash Basis

December 31, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	\$ 323,928
<i>Total Assets</i>	<u>\$ 323,928</u>
<u>Net Assets:</u>	
Restricted for:	
Other Purposes	\$ 257,508
Unrestricted	<u>66,420</u>
<i>Total Net Assets</i>	<u>\$ 323,928</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY

Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
General Government	\$ 76,983			\$ (76,983)
Public Safety	34,356		\$ 12,337	(22,019)
Public Works	199,291		125,119	(74,172)
Health	38,860	\$ 4,250	5,896	(28,714)
Capital Outlay	127,466			(127,466)
Debt Service:				
Principal	27,327			(27,327)
Interest	778			(778)
<i>Total Governmental Activities</i>	\$ 505,061	\$ 4,250	\$ 143,352	(357,459)
 <u>General Receipts:</u>				
Property Taxes				247,410
Grants and Entitlements not Restricted to Specific Programs				41,646
Debt Proceeds				80,400
Sale of Fixed Assets				14,300
Earnings on Investments				607
Miscellaneous				3,167
<i>Total General Receipts</i>				387,530
Change in Net Assets				30,071
<i>Net Assets at Beginning of Year</i>				293,857
<i>Net Assets at End of Year</i>				\$ 323,928

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Gasoline Tax	Road and Bridge	Special Levy Fire	Special Levy Cemetery	Special Levy Road Maintenance	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>								
Cash	\$ 66,420	\$ 15,853	\$ 38,065	\$ 82,707	\$ 55,531	\$ 30,872	\$ 34,480	\$ 323,928
<i>Total Assets</i>	<u>\$ 66,420</u>	<u>\$ 15,853</u>	<u>\$ 38,065</u>	<u>\$ 82,707</u>	<u>\$ 55,531</u>	<u>\$ 30,872</u>	<u>\$ 34,480</u>	<u>\$ 323,928</u>
<u>Fund Balances:</u>								
<i>Reserved</i>								
Reserved for Encumbrances			\$ 23,754			\$ 25,000	\$ 1,229	\$ 49,983
<i>Unreserved</i>								
General Fund	\$ 66,420							66,420
Special Revenue Funds		\$ 15,853	14,311	\$ 82,707	\$ 55,531	5,872	33,251	207,525
<i>Total Fund Balances</i>	<u>\$ 66,420</u>	<u>\$ 15,853</u>	<u>\$ 38,065</u>	<u>\$ 82,707</u>	<u>\$ 55,531</u>	<u>\$ 30,872</u>	<u>\$ 34,480</u>	<u>\$ 323,928</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Gasoline Tax	Road and Bridge	Special Levy Fire	Special Levy Cemetery	Special Levy Road Maintenance	Other Governmental Funds	Total Governmental Funds
<u>Receipts:</u>								
Property Taxes and other Local Taxes	\$ 29,404		\$ 74,576	\$ 47,568	\$ 27,512	\$ 68,350		\$ 247,410
Intergovernmental	26,645	\$ 86,632	15,001	12,337	5,896	13,802	\$ 24,611	184,924
Earnings on Investments	607	53					21	681
Miscellaneous		3,058	9			100	4,250	7,417
<i>Total Receipts</i>	<u>56,656</u>	<u>89,743</u>	<u>89,586</u>	<u>59,905</u>	<u>33,408</u>	<u>82,252</u>	<u>28,882</u>	<u>440,432</u>
<u>Disbursements:</u>								
Current:								
General Government	73,298		160	1,099	776	1,650		76,983
Public Safety				34,356				34,356
Public Works		101,152	51,494			31,141	15,504	199,291
Health					38,860			38,860
Capital Outlay			22,551			101,990	2,925	127,466
Debt Service:								
Principal Retirement			16,631			10,696		27,327
Interest and Fiscal Charges			474			304		778
<i>Total Disbursements</i>	<u>73,298</u>	<u>101,152</u>	<u>91,310</u>	<u>35,455</u>	<u>39,636</u>	<u>145,781</u>	<u>18,429</u>	<u>505,061</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,642)</u>	<u>(11,409)</u>	<u>(1,724)</u>	<u>24,450</u>	<u>(6,228)</u>	<u>(63,529)</u>	<u>10,453</u>	<u>(64,629)</u>
<u>Other Financing Sources (Uses):</u>								
Sale of Fixed Assets			14,300					14,300
Debt Proceeds				400		80,000		80,400
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>14,300</u>	<u>400</u>	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>94,700</u>
<i>Net Change in Fund Balances</i>	<u>(16,642)</u>	<u>(11,409)</u>	<u>12,576</u>	<u>24,850</u>	<u>(6,228)</u>	<u>16,471</u>	<u>10,453</u>	<u>30,071</u>
<i>Fund Balances at Beginning of Year</i>	<u>83,062</u>	<u>27,262</u>	<u>25,489</u>	<u>57,857</u>	<u>61,759</u>	<u>14,401</u>	<u>24,027</u>	<u>293,857</u>
<i>Fund Balances at End of Year</i>	<u>\$ 66,420</u>	<u>\$ 15,853</u>	<u>\$ 38,065</u>	<u>\$ 82,707</u>	<u>\$ 55,531</u>	<u>\$ 30,872</u>	<u>\$ 34,480</u>	<u>\$ 323,928</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 19,957	\$ 19,957	\$ 29,404	\$ 9,447
Intergovernmental	31,193	31,193	26,645	(4,548)
Earnings on Investments	1,401	1,401	607	(794)
<i>Total Receipts</i>	<u>52,551</u>	<u>52,551</u>	<u>56,656</u>	<u>4,105</u>
<u>Disbursements:</u>				
Current:				
General Government	91,300	91,300	73,298	18,002
Public Works				0
Health	250	250		250
Conservation-Recreation	100	100		100
Capital Outlay	2,100	2,100		2,100
<i>Total Disbursements</i>	<u>93,750</u>	<u>93,750</u>	<u>73,298</u>	<u>20,452</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(41,199)</u>	<u>(41,199)</u>	<u>(16,642)</u>	<u>24,557</u>
<i>Net Change in Fund Balance</i>	(41,199)	(41,199)	(16,642)	24,557
<i>Fund Balance at Beginning of Year</i>	<u>83,062</u>	<u>83,062</u>	<u>83,062</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 41,863</u>	<u>\$ 41,863</u>	<u>\$ 66,420</u>	<u>\$ 24,557</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$ 104,917	\$ 104,917	\$ 86,632	\$ (18,285)
Earnings on Investments	166	166	53	(113)
Miscellaneous	3,059	3,059	3,058	(1)
<i>Total Receipts</i>	108,142	108,142	89,743	(18,399)
<u>Disbursements:</u>				
Current:				
Public Works	104,839	104,839	101,152	3,687
Capital Outlay	161	161		161
<i>Total Disbursements</i>	105,000	105,000	101,152	3,848
<i>Excess of Receipts Over (Under) Disbursements</i>	3,142	3,142	(11,409)	(14,551)
<i>Fund Balance at Beginning of Year</i>	27,262	27,262	27,262	0
<i>Fund Balance at End of Year</i>	\$ 30,404	\$ 30,404	\$ 15,853	\$ (14,551)

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 91,459	\$ 91,459	\$ 74,576	\$ (16,883)
Intergovernmental	19,182	19,182	15,001	(4,181)
Miscellaneous	209	209	9	(200)
<i>Total Receipts</i>	<u>110,850</u>	<u>110,850</u>	<u>89,586</u>	<u>(21,064)</u>
<u>Disbursements:</u>				
Current:				
General Government	3,000	3,000	160	2,840
Public Works	122,550	122,550	75,248	47,302
Capital Outlay:	9,896	9,896	22,551	(12,655)
Debt Service:				
Principal Retirement	16,631	16,631	16,631	0
Interest and Fiscal Charges	473	473	474	(1)
<i>Total Disbursements</i>	<u>152,550</u>	<u>152,550</u>	<u>115,064</u>	<u>37,486</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(41,700)	(41,700)	(25,478)	16,222
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	16,726	16,726	14,300	(2,426)
<i>Total Other Financing Sources (Uses)</i>	<u>16,726</u>	<u>16,726</u>	<u>14,300</u>	<u>(2,426)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(24,974)	(24,974)	(11,178)	13,796
<i>Fund Balance at Beginning of Year</i>	<u>25,489</u>	<u>25,489</u>	<u>25,489</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 515</u>	<u>\$ 515</u>	<u>\$ 14,311</u>	<u>\$ 13,796</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Fire Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 50,623	\$ 50,623	\$ 47,568	\$ (3,055)
Intergovernmental	14,202	14,202	12,337	(1,865)
<i>Total Receipts</i>	64,825	64,825	59,905	(4,920)
<u>Disbursements:</u>				
Current:				
General Government	2,500	2,500	1,099	1,401
Public Safety	119,171	119,171	34,356	84,815
<i>Total Disbursements</i>	121,671	121,671	35,455	86,216
<i>Excess of Receipts Over (Under) Disbursements</i>	(56,846)	(56,846)	24,450	81,296
<u>Other Financing Sources (Uses):</u>				
Debt Proceeds			400	400
<i>Total Other Financing Sources (Uses)</i>	0	0	400	400
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(56,846)	(56,846)	24,850	81,696
<i>Fund Balance at Beginning of Year</i>	57,857	57,857	57,857	0
<i>Fund Balance at End of Year</i>	\$ 1,011	\$ 1,011	\$ 82,707	\$ 81,696

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Cemetery Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 26,267	\$ 26,267	\$ 27,512	\$ 1,245
Intergovernmental	6,962	6,962	5,896	(1,066)
<i>Total Receipts</i>	<u>33,229</u>	<u>33,229</u>	<u>33,408</u>	<u>179</u>
<u>Disbursements:</u>				
Current:				
General Government	4,000	4,000	776	3,224
Health	73,958	73,958	38,860	35,098
<i>Total Disbursements</i>	<u>77,958</u>	<u>77,958</u>	<u>39,636</u>	<u>38,322</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(44,729)	(44,729)	(6,228)	38,501
<i>Fund Balance at Beginning of Year</i>	<u>61,759</u>	<u>61,759</u>	<u>61,759</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 17,030</u>	<u>\$ 17,030</u>	<u>\$ 55,531</u>	<u>\$ 38,501</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Road Maintenance Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 71,145	\$ 71,145	\$ 68,350	\$ (2,795)
Intergovernmental	16,403	16,403	13,802	(2,601)
Miscellaneous	867	867	100	(767)
<i>Total Receipts</i>	88,415	88,415	82,252	(5,396)
<u>Disbursements:</u>				
Current:				
General Government	3,000	3,000	1,650	1,350
Public Works	87,900	87,900	56,141	31,759
Capital Outlay	80	80,080	101,990	(21,910)
<i>Debt Service:</i>				
Principal Retirement	10,696	10,696	10,696	0
Interest and Fiscal Charges	304	304	304	0
<i>Total Disbursements</i>	101,980	181,980	170,781	11,199
<i>Excess of Receipts Over (Under) Disbursements</i>	(13,565)	(93,565)	(88,529)	5,036
<u>Other Financing Sources (Uses):</u>				
Debt Proceeds		80,000	80,000	0
<i>Total Other Financing Sources (Uses)</i>	0	80,000	80,000	0
<i>Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</i>	(13,565)	(13,565)	(8,529)	5,036
<i>Fund Balance at Beginning of Year</i>	14,401	14,401	14,401	0
<i>Fund Balance at End of Year</i>	\$ 836	\$ 836	\$ 5,872	\$ 5,036

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	\$ 293,857
<i>Total Assets</i>	<u>\$ 293,857</u>
<u>Net Assets:</u>	
Restricted for:	
Other Purposes	\$ 210,795
Unrestricted	<u>83,062</u>
<i>Total Net Assets</i>	<u>\$ 293,857</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>					
General Government	\$ 83,025				\$ (83,025)
Public Safety	28,639		\$ 11,426		(17,213)
Public Works	317,396		139,522		(177,874)
Health	19,417	\$ 3,275	5,739		(10,403)
Capital Outlay	10,309			\$ 18,962	8,653
Debt Service:					
Principal	58,200				(58,200)
Interest	2,711				(2,711)
Total Governmental Activities	\$ 519,697	\$3,275	\$ 156,687	\$ 18,962	(340,773)
<u>General Receipts:</u>					
Property Taxes					241,477
Grants and Entitlements not Restricted to Specific Programs					48,436
Earnings on Investments					1,445
Miscellaneous					9,329
Total General Receipts					300,687
Change in Net Assets					(40,086)
Net Assets at Beginning of Year					333,943
Net Assets at End of Year					\$ 293,857

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Gasoline Tax	Road and Bridge	Special Levy Fire	Special Levy Cemetery	Special Levy Road Maintenance	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>								
Cash	\$ 83,062	\$ 27,262	\$ 25,489	\$ 57,857	\$ 61,759	\$ 14,401	\$ 24,027	\$ 293,857
<i>Total Assets</i>	<u>\$ 83,062</u>	<u>\$ 27,262</u>	<u>\$ 25,489</u>	<u>\$ 57,857</u>	<u>\$ 61,759</u>	<u>\$ 14,401</u>	<u>\$ 24,027</u>	<u>\$ 293,857</u>
<u>Fund Balances:</u>								
<i>Reserved</i>								
Reserved for Encumbrances							\$ 3,128	\$ 3,128
<i>Unreserved</i>								
General Fund	\$ 83,062							83,062
Special Revenue Funds		\$ 27,262	\$ 25,489	\$ 57,857	\$ 61,759	\$ 14,401	20,899	207,667
<i>Total Fund Balances</i>	<u>\$ 83,062</u>	<u>\$ 27,262</u>	<u>\$ 25,489</u>	<u>\$ 57,857</u>	<u>\$ 61,759</u>	<u>\$ 14,401</u>	<u>\$ 24,027</u>	<u>\$ 293,857</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Special Levy Fire	Special Levy Cemetery	Special Levy Road Maintenance	Other Governmental Funds	Total Governmental Funds
Receipts:								
Property Taxes and other Local Taxes	\$ 28,093		\$ 69,220	\$ 47,989	\$ 27,748	\$ 68,427		\$ 241,477
Intergovernmental	34,829	\$ 98,917	13,607	11,425	5,739	13,381	\$ 45,952	223,850
Earnings on Investments	1,445	95					140	1,680
Miscellaneous		2,078				7,251	3,275	12,604
Total Receipts	64,367	101,090	82,827	59,414	33,487	89,059	49,367	479,611
Disbursements:								
Current:								
General Government	66,833		913	179	814	1,941	12,345	83,025
Public Safety				28,639				28,639
Public Works		100,637	96,317			81,480	38,962	317,396
Health					19,017		400	19,417
Capital Outlay	2,839						7,470	10,309
Debt Service:								
Principal Retirement			13,200	45,000				58,200
Interest and Fiscal Charges			1,000	1,711				2,711
Total Disbursements	69,672	100,637	111,430	75,529	19,831	83,421	59,177	519,697
Excess of Receipts Over (Under) Disbursements	(5,305)	453	(28,603)	(16,115)	13,656	5,638	(9,810)	(40,086)
Net Change in Fund Balances	(5,305)	453	(28,603)	(16,115)	13,656	5,638	(9,810)	(40,086)
Fund Balances at Beginning of Year (Restated - Note 11)	88,367	26,809	54,092	73,972	48,103	8,763	33,837	333,943
Fund Balances at End of Year	\$ 83,062	\$ 27,262	\$ 25,489	\$ 57,857	\$ 61,759	\$ 14,401	\$ 24,027	\$ 293,857

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 42,066	\$ 42,066	\$ 28,093	\$ (13,973)
Intergovernmental	56,005	56,005	34,829	(21,176)
Earnings on Investments	2,687	2,687	1,445	(1,242)
<i>Total Receipts</i>	<u>100,758</u>	<u>100,758</u>	<u>64,367</u>	<u>(36,391)</u>
<u>Disbursements:</u>				
Current:				
General Government	110,047	110,047	66,833	43,214
Public Works				
Health	301	301		301
Conservation-Recreation	121	121		121
Capital Outlay	2,531	2,531	2,839	(308)
<i>Total Disbursements</i>	<u>113,000</u>	<u>113,000</u>	<u>69,672</u>	<u>43,328</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,242)</u>	<u>(12,242)</u>	<u>(5,305)</u>	<u>6,937</u>
<i>Fund Balance at Beginning of Year</i>	<u>88,367</u>	<u>88,367</u>	<u>88,367</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 76,125</u>	<u>\$ 76,125</u>	<u>\$ 83,062</u>	<u>\$ 6,937</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUN
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gasoline Tax Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Intergovernmental	\$ 98,404	\$ 98,404	\$ 98,917	\$ 513
Earnings on Investments	153	153	95	(58)
Miscellaneous	1,226	1,226	2,078	852
<i>Total Receipts</i>	<u>99,783</u>	<u>99,783</u>	<u>101,090</u>	<u>1,307</u>
<u>Disbursements:</u>				
Current:				
Public Works	104,839	104,839	100,637	4,202
Human Services	161	161		161
<i>Total Disbursements</i>	<u>105,000</u>	<u>105,000</u>	<u>100,637</u>	<u>4,363</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(5,217)	(5,217)	453	5,670
<i>Fund Balance at Beginning of Year</i>	<u>26,809</u>	<u>26,809</u>	<u>26,809</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 21,592</u>	<u>\$ 21,592</u>	<u>\$ 27,262</u>	<u>\$ 5,670</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Road and Bridge Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and Other Local Taxes	\$ 71,194	\$ 71,194	\$ 69,220	\$ (1,974)
Intergovernmental	16,403	16,403	13,607	(2,796)
Miscellaneous	166	166		(166)
<i>Total Receipts</i>	<u>87,763</u>	<u>87,763</u>	<u>82,827</u>	<u>(4,770)</u>
<u>Disbursements:</u>				
Current:				
General Government	3,356	3,356	913	2,443
Public Works	137,115	137,115	96,317	40,798
Capital Outlay	16,009	16,009		16,009
Debt Service:				
Principal Retirement	13,200	13,200	13,200	0
Interest and Fiscal Charges	1,000	1,000	1,000	0
<i>Total Disbursements</i>	<u>170,680</u>	<u>170,680</u>	<u>111,430</u>	<u>59,250</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(82,917)	(82,917)	(28,603)	54,314
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	13,242	13,242		(13,242)
<i>Total Other Financing Sources (Uses)</i>	<u>13,242</u>	<u>13,242</u>	<u>0</u>	<u>(13,242)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(69,675)	(69,675)	(28,603)	41,072
<i>Fund Balance at Beginning of Year</i>	<u>54,092</u>	<u>54,092</u>	<u>54,092</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ (15,583)</u>	<u>\$ (15,583)</u>	<u>\$ 25,489</u>	<u>\$ 41,072</u>

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Fire Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 60,586	\$ 60,586	\$ 47,989	\$ (12,597)
Intergovernmental	12,522	12,522	11,425	(1,097)
<i>Total Receipts</i>	73,108	73,108	59,414	(13,694)
<u>Disbursements:</u>				
Current:				
General Government	1,500	1,500	179	1,321
Public Safety	72,460	72,460	28,639	43,821
<i>Debt Service:</i>				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	1,711	1,711	1,711	0
<i>Total Disbursements</i>	120,671	120,671	75,529	45,142
<i>Excess of Receipts Over (Under) Disbursements</i>	(47,563)	(47,563)	(16,115)	31,448
<i>Fund Balance at Beginning of Year</i>	73,972	73,972	73,972	0
<i>Fund Balance at End of Year</i>	\$ 26,409	\$ 26,409	\$ 57,857	\$ 31,448

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Cemetery Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 30,849	\$ 30,849	\$ 27,748	\$ (3,101)
Intergovernmental	6,686	6,686	5,739	(947)
<i>Total Receipts</i>	37,535	37,535	33,487	(4,048)
<u>Disbursements:</u>				
Current:				
General Government	4,000	4,000	814	3,186
Public Safety	73,958	73,958	19,017	54,941
<i>Total Disbursements</i>	77,958	77,958	19,831	58,127
<i>Excess of Receipts Over (Under) Disbursements</i>	(40,423)	(40,423)	13,656	54,079
<i>Fund Balance at Beginning of Year</i>	48,103	48,103	48,103	0
<i>Fund Balance at End of Year</i>	\$ 7,680	\$ 7,680	\$ 61,759	\$ 54,079

See accompanying notes to the basic financial statements.

DOVER TOWNSHIP, ATHENS COUNTY
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Special Levy Road Maintenance Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Receipts:</u>				
Property and other Local Taxes	\$ 79,742	\$ 79,742	\$ 68,427	\$ (11,315)
Intergovernmental	14,738	14,738	13,381	(1,357)
Miscellaneous	2,500	2,500	7,251	4,751
<i>Total Receipts</i>	96,980	96,980	89,059	(12,672)
<u>Disbursements:</u>				
Current:				
General Government	2,795	2,795	1,941	854
Public Works	81,884	81,884	81,480	404
Capital Outlay	10,321	10,321		10,321
<i>Total Disbursements</i>	95,000	95,000	83,421	11,579
<i>Excess of Receipts Over (Under) Disbursements</i>	1,980	1,980	5,638	3,658
<i>Fund Balance at Beginning of Year</i>	8,763	8,763	8,763	0
<i>Fund Balance at End of Year</i>	\$ 10,743	\$ 10,743	\$ 14,401	\$ 3,658

See accompanying notes to the basic financial statements.

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 1 – Reporting Entity

Dover Township, Athens County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, fire protection, emergency medical service and cemetery maintenance. Police protection is provided by the Athens County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. The Township has no component units.

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

C. Public Entity Risk Pools

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA).

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's only required major governmental fund is the General Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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.

The Township had the following major funds in addition to the General Fund as mentioned above.

Gasoline Tax Fund – This fund receives gasoline tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Road and Bridge Fund – This fund receives property tax money. Funds are restricted for the purpose of road maintenance provided it is expended according to the general laws of Ohio.

Special Levy Fire Fund – This fund receives tax levy money. This fund balance is available to the Township for the purpose of fire protection provided it is expended or transferred according to the general laws of Ohio.

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Special Levy Cemetery Fund – This fund receives tax levy money for maintaining cemeteries.

Special Levy Road Maintenance Fund – This fund receives tax levy money for the purpose of road maintenance.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Cash and Investments (Continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets at year end.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road maintenance, fire protection and cemetery maintenance.

L. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Note 3 – Budgetary Basis of Accounting (Continued)

There are no differences between the budgetary basis and the cash basis since the Township canceled all encumbrances at year end.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. expectation that it will be held to maturity. Investments may only be made through specified dealers and

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 4 - Deposits and Investments (Continued)

An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009, \$112,584 of the Township's bank balance of \$362,584 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At December 31, 2008, \$48,294 of the Township's bank balance of \$298,294 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes. Property tax payments received during 2009 and 2008 for tangible personal property (other than public utility property) is for 2009 and 2008 taxes.

Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Real property taxes received in 2008 were levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 and 2008 represent the collection of 2008 and 2007 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, and are collected with real property taxes. Public utility real and tangible personal property taxes received in 2008 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 and 2008 (other than public utility property) represent the collection of 2009 and 2008 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008 on the true value as of December 31, 2008. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 5 – Property Taxes (Continued)

The full tax rate for all Township operations for the years ended December 31, 2009 and 2008 was \$8.70 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 (2008) property tax receipts were based and upon which 2008 (2009) property tax receipts were based are as follows:

	2009	2008
Real Property	\$ 31,371,790	\$ 28,348,720
Tangible Personal Property	-	134,665
Public Utility Real & Personal Property	3,565,160	3,569,180
Total Assessed Value	\$ 34,936,950	\$ 32,052,565

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

Note 6 – Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 6 – Risk Management (Continued)

Risk Pool Membership (Continued)

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2008	14,711
2009	12,877

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. The Township participates only in the traditional plan.

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 7 – Defined Benefit Pension Plan (Continued)

Ohio Public Employees Retirement System (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2009 and 2008, members of all three plans contributed 10 percent of covered payroll. The Township's contribution rate for pension benefits in 2009 and 2008 was 14 percent.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008 and 2007 were \$16,680, \$16,951 and \$16,163 respectively. The full amount has been contributed for 2009, 2008 and 2007. There were no contributions to member-directed plans.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2009 local government employer contribution rate was 14 percent of covered payroll; 7 percent from January 1 to March 31, 2009 and 5.5 percent from April 1 through December 31, 2009 was the portion that was used to fund health care. The 2008 local government employer contribution rate was 14 percent of covered payroll; 7 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase between 0.5 percent and 3.00 percent annually for the next six years and 4.00 percent annually after seven years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 357,584 for 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388. Actual employer contributions which were used to fund postemployment benefits were \$8,143 for 2009 and \$9,736 for 2008. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. The actuarially accrued liability and the unfunded actuarially accrued liability were \$29.6 billion and \$18.9 billion, respectively.

Dover Township
Athens County
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 8 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. These rate increases allowed additional funds to be allocated to the health care plan.

Note 9 – Debt

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$80,000	1.60%

The Township issued general obligation bonds to finance the purchase of a new John Deere Tractor for Township road maintenance. The note is secured by the equipment purchased and is backed by the full faith and credit of the Township.

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

	John Deere Tractor
Year ending December 31:	
2010	\$16,777
2011	16,776
2012	16,777
2013	16,776
2014	16,777
Total	\$83,883

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

Note 11 - Restatement of Beginning Balances

The January 1, 2008, balances were restated due to the Township closing out the Fire Equipment Fund and the prior audit resulting in adjustments to that fund. The Township made adjustments to the Special Levy Fire Fund, which was deemed reasonable since they were for similar purposes. Balances were restated as follows:

		12/31/2007		Restated 1/1/2008
Fund Type		Balance	Amount	Balance
Special Levy Fire Fund	\$	68,615	\$ 5,357	\$ 73,972
Other Governmental Funds		39,194	(5,357)	\$ 33,837



Mary Taylor, CPA

Auditor of State

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

Dover Township
Athens County
13880 Mill Creek Road
Millfield, Ohio 45761

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated May 12, 2010, wherein, we noted the Township uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and another deficiency we consider to be a significant deficiency.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-005 through 2009-006 described in the accompanying Schedule of Findings to be material weaknesses.

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. We consider finding 2009-004 described in the accompanying Schedule of Findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2009-001 through 2009-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 12, 2010.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

May 12, 2010

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2009-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

We noted appropriations were greater than actual resources in 2008 as follows:

Fund	Actual Resources	Appropriation Authority	Variance
Motor Vehicle License Tax	\$34,206	\$35,700	(\$1,494)
Road and Bridge	140,951	170,680	(29,729)
Special Levy Road Maintenance	93,661	95000	(1,339)
Volunteer Fire Department	127	\$20,000	(19,873)

We noted appropriations were greater than actual resources in 2009 as follows;

Fund	Actual Resources	Appropriation Authority	Variance
Motor Vehicle License Tax	\$26,231	\$35,700	(\$9,469)
Gasoline Tax	116,154	130,200	(14,046)
Road and Bridge	128,861	152,550	(23,689)
Special Levy Fire	117,154	121,671	(4,517)
Special Levy Road Maintenance	176,009	181,980	(5,971)
Permissive Motor Vehicle License T	13,088	25,530	(12,442)
Miscellaneous Special Revenue	0	30,000	(30,000)
Volunteer Fire Department	127	20,000	(19,873)

This could cause the Township to spend more money than is available to spend.

We recommend the Township monitor estimated and actual revenues for all funds on a regular basis. In the situation where appropriations exceed actual resource, the Township should adjust appropriations accordingly.

Officials' Response: We will correct this in the future.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states, in part, the total appropriation from each fund shall not exceed the total estimated revenue available for expenditure.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-002 (Continued)

Noncompliance Citation – Ohio Rev. Code Section 5705.39 (Continued)

In 2008, appropriations exceeded the estimated resources in the Motor Vehicle License Tax Fund by \$1,547, in the Road and Bridge Fund by \$11,551, and in the Special Levy Fire Fund by \$9,873. This could result in the Township overspending available funds.

We recommend the Township monitor estimated and actual revenues for all funds on a regular basis. In the situation where appropriations exceed actual resource, the Township should adjust appropriations accordingly or request an amended certificate from the County Auditor.

Officials' Response: We will correct this in the future.

FINDING NUMBER 2009-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated.

The Township's expenditures exceeded appropriations as of December 31, 2008 as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Misc	10,000	\$18,962	(\$8,962)

The Fiscal Officer increased appropriations in this fund at the end of the year; however, there was no evidence that this was approved by the Board of Trustees. Therefore, expenditures exceeded appropriations in that fund. This could result in deficit fund balances.

We recommend the Township monitor actual expenditures as compared to appropriation. Any amended appropriations must be formally approved by the Board of Trustees and documented in the minutes.

Officials' Response: We will correct this in the future.

FINDING NUMBER 2009-004

Noncompliance Citation and Significant Deficiency

Ohio Admin. Code Sections 117-2-01(D)(3) and (5) state, in part, that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-004 (Continued)

Noncompliance Citation and Significant Deficiency (Continued)

The Fiscal Officer prepared monthly bank reconciliations using the UAN system; however, at December 31, 2009, there was an "other adjusting factor" of \$8,784, which the Fiscal Officer used to reconcile the Township. The "other adjusting factor" was the result of inconsistencies between payroll withholdings posted to the system and payroll withholdings automatically deducted from the Township's checking account and errors on the list of outstanding checks.

We recommend the Township perform timely reconciliations to identify any differences occurring on the bank reconciliations. We further recommend the Fiscal Officer investigate the differences between the payroll remittances posted to the accounting system and those clearing the bank to ensure all transactions are accurately recorded within the UAN system.

Officials' Response: We will correct this in the future.

FINDING NUMBER 2009-005

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, we noted the following errors in the financial statements that required audit adjustment or reclassification:

2009:

- The Fiscal Officer improperly classified intergovernmental receipts as taxes in the General Fund (\$6,470), Road & Bridge Fund (\$14,756), Special Levy Fire Fund (\$11,842), Special Levy Road Maintenance Fund (\$13,497) and Special Levy Cemetery Fund (\$5,772). The misposted receipts were Homestead and Rollback Personal Property Tax Reimbursements and Public Utility Tax Reimbursements. In addition, the Fiscal Officer improperly posted Personal Property Tax Reimbursements for 2008 as taxes for 2009 (\$199 General Fund, \$500 Road and Bridge Fund, \$997 Special Levy Fire Fund, \$625 Special Levy Road Maintenance Fund, and \$249 Special Levy Cemetery).
- The Fiscal Officer improperly posted General Fund Local Government and Excess-Kilowatt intergovernmental receipts (\$1,190 and \$629, respectively) to the Gasoline Tax Fund.
- A Liquor permit receipt was not posted (\$53).
- The First half homestead receipt was not posted (\$52 General Fund, \$127 Road and Bridge Fund, \$81 Special Levy Fire Fund, \$109 Special Levy Road Maintenance Fund, and \$46 Special Levy Cemetery Fund).
- Personal Property Tax Reimbursement was entirely posted to the General Fund rather than being allocated (\$244 Road and Bridge Fund, \$495 Special Levy Fire Fund, \$306 Special Levy Road Maintenance Fund, and \$124 Special Levy Cemetery Fund).
- Refunds were posted to Gasoline Fund intergovernmental Receipts (\$2,078).
- A Motor Vehicle License Receipt was posted to the Gasoline Tax Fund (\$1,466).

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-005 (Continued)

Material Weakness (Continued)

- One Motor Vehicle License Tax Fund receipt was posted to Permissive Motor Vehicle License Tax Fund and one Permissive Motor Vehicle License Tax Fund was posted to Motor Vehicle License Tax Fund (\$38).
- One General Fund receipt was posted to Permissive Motor Vehicle License Fund (\$87).
- The Fiscal Officer improperly posted debt payments totaling \$17,105 relating to the Road and Bridge Fund to Capital Outlay (\$17,105) rather than Redemption of Principal (\$16,632) and Interest (\$473).
- The Fiscal Officer improperly posted debt payments totaling \$11,000 relating to the Special Levy Road Maintenance Fund to Capital Outlay (\$11,000) rather than Redemption of Principal (\$10,696) and Interest (\$304).
- The Fiscal Officer did not post debt proceeds for \$80,000 in the Special Levy Road Maintenance Fund.

2008:

- The Fiscal Officer improperly classified General Fund intergovernmental receipts as taxes (\$8,991), Road & Bridge Fund (\$13,107), Special Levy Fire Fund (\$10,430), Special Levy Road Maintenance Fund (\$12,756) and Special Levy Cemetery Fund (\$5,489). The misposted receipts were Homestead and Rollback Personal Property Tax Reimbursements and Public Utility Tax Reimbursements. In addition, the December Tangible amount was not posted until 2009 (\$6 General Fund, \$14 Road and Bridge, \$11 Special Levy Fire, \$18 Special Levy Road Maintenance, and \$8 Special Levy Cemetery).
- The Fiscal Officer improperly posted Tangible Local Government Revenue received from the County Auditor to the Permissive Motor Vehicle License Tax Fund (\$87), rather than the General Fund.
- The Fiscal Officer improperly posted Personal Property Tax Reimbursement for 2008 in 2009 (\$199 General fund, \$500 Road and Bridge Fund, \$997 Special Levy Fire Fund, \$625 Special Levy Road Maintenance Fund, and \$249 Special Levy Cemetery Fund).
- The Fiscal Officer improperly posted a Motor Vehicle License Tax Fund receipt to the Gasoline Fund (\$2,060), a Permissive Motor Vehicle License Tax Fund receipt to the Gasoline Tax Fund (\$606), a 2008 receipt to the Gasoline Tax Fund (\$2,375), a General Fund receipt to the Gasoline Tax Fund (\$1,819), and a repayment (should be miscellaneous revenue) to the Gasoline Tax Fund (\$3,059). In addition, the Fiscal Officer posted one receipt twice (\$6,286).
- The Fiscal Officer improperly posted debt payments totaling \$46,711 relating to the Special Levy Fire Fund to Capital Outlay (\$46,711) rather than Redemption of Principal (\$45,000) and Interest (\$1,711).
- The Fiscal Officer improperly posted debt payments totaling \$14,200 relating to the Road and Bridge Fund to Capital Outlay (\$14,200) rather than Redemption of Principal (\$13,200) and Interest (\$1,000).

Lack of due care in posting correctly resulted in audit adjustments. The audited financial statements and the Township's accounting system reflect the above adjustments.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-005 (Continued)

Material Weakness (Continued)

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Township Manual for guidance on the correct line item to post various receipts and expenditures of the Township.

Officials' Response: We will correct this in the future.

FINDING NUMBER 2009-006

Material Weakness

All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

At December 31, 2008, estimated revenue as approved by the Budget Commission did not agree to the Township's accounting system as follows:

Fund	Estimated Revenue Approved by Budget Commission	Estimated Revenue Posted to UAN System	Variance
General	\$100,758	\$119,550	\$18,792
Motor Vehicle License Tax	19,040	35,700	16,660
Gasoline Tax	99,783	124,700	24,917
Road and Bridge	101,005	133,300	32,295
Cemetery	3,500	8,400	4,900
Special Levy Fire	73,108	120,671	47,563
Special Levy Cemetery	37,535	77,958	40,423
Permissive Motor Vehicle License Tax	20,250	20,530	280
Miscellaneous Special Levy	10,000	28,962	18,962

At December 31, 2008, we found appropriations as approved by the Board of Trustees did not agree to the Township's accounting system at the fund level. The variances are as follows:

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-006 (Continued)

Material Weakness (Continued)

Fund	Appropriations per Resolutions	Appropriations Posted to UAN System	Variance
General	\$113,000	\$119,550	\$6,550
Gasoline Tax	105,000	127,700	22,700
Road and Bridge	170,680	133,300	(37,380)
Cemetery	7,000	8,400	1,400
Special Levy Road Maintenance	95,000	96,980	1,980
Miscellaneous Special Revenue	10,000	26,962	16,962
Volunteer Fire Department	20,000	10,000	(10,000)

In addition, the final budgeted disbursements column on the budget and actual statement reflects adjustments made by this variance to agree the amount approved by the Board of Trustees.

At December 31, 2009, estimated revenue as approved by the Budget Commission did not agree to the Township's accounting system as follows:

Fund	Estimated Revenue Approved by Budget Commission	Estimated Revenue Posted to UAN System	Variance
General	\$52,551	\$93,750	\$41,199
Motor Vehicle License Tax	26,649	35,700	9,051
Gasoline Tax Fund	108,142	130,200	22,058
Road and Bridge	127,576	152,550	24,974
Cemetery	2,000	8,400	6,400
Special Levy Cemetery	33,229	77,958	44,729
Special Levy Road Maintenance	168,415	181,980	13,565
Permissive Motor Vehicle License Tax	20,000	25,530	5,530

In addition, the final budgeted receipts column on the budget and actual statements were also adjusted by these variances to agree to the amounts approved by the Budget Commission for the General, Gasoline Tax, Road and Bridge, Special Levy Fire, Special Levy Cemetery and Special Levy Road Maintenance Funds.

At December 31, 2008, estimated revenue as approved by the Budget Commission did not agree to the original column on the budget and actual statements. The variances are as follows:

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2009-006 (Continued)

Material Weakness (Continued)

Fund	Estimated Revenue Approved by Budget Commission	Posted to the Budget and Actual Statements	Variance
General	\$100,758	\$93,750	(\$7,008)
Gasoline Tax	99,783	130,200	30,417
Road and Bridge	101,005	132,550	31,545
Special Levy Fire	73,108	121,671	48,563
Special Levy Cemetery	37,535	77,958	40,423
Special Levy Road Maintenance	96,980	101,980	5,000

At December 31, 2008, we found appropriations as approved by the Board of Trustees did not agree to the original column on the budget and actual statements. The variances are as follows:

Fund	Appropriations per Resolutions	Posted to the Budget and Actual Statements	Variance
General	\$113,000	\$93,750	\$19,250
Gasoline Tax	105,000	130,200	(25,200)
Road and Bridge	170,680	152,550	18,130
Special Levy Fire	120,671	121,671	(1,000)
Special Levy Road Maintenance	95,000	101,980	(6,980)

At December 31, 2009, estimated revenue as approved by the Budget Commission did not agree to the original column on the budget and actual statements. The variances are as follows:

Fund	Estimated Revenue Approved by Budget Commission	Posted to the Budget and Actual Statements	Variance
General	\$52,551	\$93,750	\$41,199
Gasoline Tax	108,142	130,200	22,058
Road and Bridge	127,576	152,550	24,974
Special Levy Fire	64,825	121,671	56,846
Special Levy Cemetery	33,229	77,958	44,729
Special Levy Road Maintenance	88,415	101,980	13,565

These adjustments were made to budget and actual statements for both 2009 and 2008. Due to the lack of care in properly posting budgetary into the system, the management of the Township lost some degree of budgetary control.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

<p>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2009-006 (Continued)

Material Weakness (Continued)

We recommend the Fiscal Officer accurately post estimated receipts as certified by the County Budget Commission and appropriations as approved by the Board of Trustees into the computer system and only after receiving approval. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year. We also recommend the Fiscal Officer ensure the amounts input in the Budget and Actual basic financial statements are accurate.

Officials' Response: We will correct this in the future.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Finding for Recovery: Ohio Rev. Code Section 4111.03 – employees shall be paid overtime at a rate of 1.5 times employee’s wage rate.	Yes	Finding For Recovery was repaid.
2007-002	Ohio Rev. Code Section 121.22(G) – executive session	No	Partially Corrected; Reissued in the Management Letter.
2007-003	Ohio Revised Code Section 5705.39 – appropriations exceeded estimated resources.	No	Repeated in the current Schedule of Findings as 2009-002.
2007-004	Ohio Revised Code Section 5705.41(B) – expenditures exceeded appropriations	No	Repeated in the current Schedule of Findings as 2009-003.
2007-005	Ohio Rev. Code Section 5705.41(D)(1) – The Township did not certify the availability of funds prior to purchase commitment for 58 percent of the expenditures tested in 2006 and 54 percent of the expenditures tested in 2007.	No	Partially Corrected; Reissued in the current Management Letter.
2007-006	Material Weakness – errors in the financial statements resulting in material audit adjustments	No	Repeated in the current Schedule of Finding as 2009-005.
2007-007	Significant Deficiency – Budgetary amounts, as approved, did not agree to the system	No	Repeated in the current Schedule of Findings as 2009-006.



Mary Taylor, CPA
Auditor of State

DOVER TOWNSHIP

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 15, 2010