



**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Dover Township  
Tuscarawas County  
2201 Progress Street  
Dover, Ohio 44622

To the Board of Trustees:

We have audited the accompanying financial statements of Dover Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2001 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 grants. That report is an integral part of an audit performed in conjunction with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 12, 2001

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$36,180	\$359,776	\$395,956
Intergovernmental	125,980	101,201	227,181
Earnings on Investments	28,774	1,210	29,984
Licenses, Permits, and Fees		92,681	92,681
Other Revenue	1,594	1,630	3,224
	<u>192,528</u>	<u>556,498</u>	<u>749,026</u>
<b>Total Cash Receipts</b>			
	<u>192,528</u>	<u>556,498</u>	<u>749,026</u>
<b>Cash Disbursements:</b>			
Current:			
General Government	165,526	4,097	169,623
Public Safety	47,817	98,631	146,448
Public Works		291,123	291,123
Health	6,321		6,321
Debt Service:			
Note Principal Payment	48,967		48,967
Interest Payment	18,629		18,629
Capital Outlay	10,910	146,617	157,527
	<u>298,170</u>	<u>540,468</u>	<u>838,638</u>
<b>Total Cash Disbursements</b>			
	<u>298,170</u>	<u>540,468</u>	<u>838,638</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(105,642)</u>	<u>16,030</u>	<u>(89,612)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		2,000	2,000
Transfers-Out	(2,000)		(2,000)
	<u>(2,000)</u>	<u>2,000</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(2,000)</u>	<u>2,000</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(107,642)</u>	<u>18,030</u>	<u>(89,612)</u>
<b>Fund Cash Balances, January 1</b>	<u>308,358</u>	<u>220,026</u>	<u>528,384</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$200,716</b></u>	<u><b>\$238,056</b></u>	<u><b>\$438,772</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$0</b></u>	<u><b>\$111,229</b></u>	<u><b>\$111,229</b></u>

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

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$35,431	\$351,750		\$387,181
Intergovernmental	299,795	102,205		402,000
Earnings on Investments	21,358	890		22,248
Licenses, Permits, and Fees		82,933		82,933
Other Revenue	117	1,529		1,646
	<u>356,701</u>	<u>539,307</u>		<u>896,008</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
General Government	153,232	3,900		157,132
Public Safety		95,752		95,752
Public Works		326,294		326,294
Health	6,270			6,270
Debt Service:				
Note Principal Payment	15,573	15,819		31,392
Interest Payment	6,959	6,713		13,672
Capital Outlay	276,147	261,958	\$450,000	988,105
	<u>458,181</u>	<u>710,436</u>	<u>450,000</u>	<u>1,618,617</u>
<b>Total Cash Disbursements</b>				
Total Receipts (Under) Disbursements	<u>(101,480)</u>	<u>(171,129)</u>	<u>(450,000)</u>	<u>(722,609)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds of Notes			450,000	450,000
Transfers-In		3,000		3,000
Transfers-Out	(3,000)			(3,000)
Other Uses	7,993			7,993
	<u>4,993</u>	<u>3,000</u>	<u>450,000</u>	<u>457,993</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(96,487)	(168,129)		(264,616)
Fund Cash Balances, January 1	404,845	388,155		793,000
<b>Fund Cash Balances, December 31</b>	<b><u>\$308,358</u></b>	<b><u>\$220,026</u></b>	<b><u>\$0</u></b>	<b><u>\$528,384</u></b>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$86,237</u>	<u>\$0</u>	<u>\$86,237</u>

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



**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Dover Township, Tuscarawas County, (the Township) is a body corporate and politic 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 provides general governmental services, including road and bridge maintenance. The Township contracts with the City of Dover to provide fire and emergency medical services.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

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

Fire District Fund - This fund is used to account for ambulance and fire levy receipts used to provide fire, rescue and emergency medical services for Township residents.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$126,228)	(\$16,616)
Certificates of deposit	<u>565,000</u>	<u>545,000</u>
Total deposits	<u><u>\$438,772</u></u>	<u><u>\$528,384</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$156,746	\$192,528	\$35,782
Special Revenue	<u>577,990</u>	<u>558,498</u>	<u>(19,492)</u>
Total	<u><u>\$734,736</u></u>	<u><u>\$751,026</u></u>	<u><u>\$16,290</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$465,105	\$300,170	\$164,935
Special Revenue	<u>711,779</u>	<u>651,697</u>	<u>60,082</u>
Total	<u><u>\$1,176,884</u></u>	<u><u>\$951,867</u></u>	<u><u>\$225,017</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$154,437	\$364,694	\$210,257
Special Revenue	558,908	542,307	(16,601)
Capital Projects	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Total	<u><u>\$1,163,345</u></u>	<u><u>\$1,357,001</u></u>	<u><u>\$193,656</u></u>

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$559,282	\$461,181	\$98,101
Special Revenue	873,964	796,673	77,291
Capital Projects	450,000	450,000	0
Total	\$1,883,246	\$1,707,854	\$175,392

Contrary to Ohio Revised Code Section 5705.41 (D), during the audit period, the Township did not always certify the availability of funds prior to incurring the purchase obligation.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$369,641	4.7%

The general obligation notes were issued to finance the purchase of a new Township building. The notes are collateralized solely by the Township's taxing authority.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT(Continued)**

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

<u>Year ending December 31:</u>	<u>General Obligation Notes</u>
2001	\$67,596
2002	67,596
2003	67,596
2004	<u>211,320</u>
Total	<u><u>\$414,108</u></u>

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**8. JOINTLY GOVERNED ORGANIZATION**

The Township is associated with the Tuscarawas County Regional Planning Commission as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county. The Township contributed \$425 in 2000 and 1999 to the Regional Planning Commission.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Dover Township  
Tuscarawas County  
2201 Progress Street  
Dover, Ohio 44622

To the Board of Trustees:

We have audited the accompanying financial statements of Dover Township, Tuscarawas County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-41279-001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated March 12, 2001.

Dover Township  
Tuscarawas County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

March 12, 2001



**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2000-41279-001**

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41(D)** states, in part, that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than \$1,000, the Clerk may authorize payment through a Then and Now Certificate without the affirmation of the Board, if such expenditures is otherwise valid.

Of the expenditures tested, 18% were not certified by the Clerk prior to incurring the purchase obligation. The Township should inform all Township employees of the requirements of Ohio Rev. Code Section 5705.41(D) and the importance of certifying of fund's availability. The Township should implement the use of so called Then and Now certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41. However, such certifications should only be used for recurring and reasonably predictable matters or emergency matters which may arise from time to time.





STATE OF OHIO  
OFFICE OF THE AUDITOR

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**DOVER TOWNSHIP**

**TUSCARAWAS 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  
MAY 1, 2001**