



Dave Yost • Auditor of State

DOVER TOWNSHIP
ATHENS COUNTY

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Dave Yost • Auditor of State

Dover Township
Athens County
16145 Millfield Road
Millfield, Ohio 45761

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Dave Yost
Auditor of State

November 15, 2012

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Dave Yost • Auditor of State

Dover Township
Athens County
16145 Millfield Road
Millfield, Ohio 45761

To the Board of Trustees:

We have audited the accompanying financial statements of Dover Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Township's larger (i.e., major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Dover Township, Athens County, Ohio, as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 Dover Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2012, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 15, 2012

**DOVER TOWNSHIP
ATHENS COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 30,051	\$ 222,835	\$ 252,886
Intergovernmental	24,160	158,817	182,977
Earnings on Investments	334	106	440
Miscellaneous		4,544	4,544
Total Cash Receipts	54,545	386,302	440,847
Cash Disbursements			
Current:			
General Government	76,066	3,724	79,790
Public Safety		31,119	31,119
Public Works		199,084	199,084
Health		17,184	17,184
Capital Outlay	70	48,170	48,240
Debt Service:			
Principal Retirement		15,694	15,694
Interest and Fiscal Charges		1,107	1,107
Total Cash Disbursements	76,136	316,082	392,218
Excess of Cash Receipts Over (Under) Cash Disbursements	(21,591)	70,220	48,629
Other Financing Receipts (Disbursements)			
Other Debt Proceeds		100	100
Sale of Capital Assets		300	300
Total Other Financing Receipts (Disbursements)	0	400	400
Net Change in Fund Cash Balances	(21,591)	70,620	49,029
Fund Cash Balances, January 1	30,939	222,698	253,637
Fund Cash Balances, December 31			
Restricted		293,318	293,318
Unassigned (Deficit)	9,348		9,348
Fund Cash Balances, December 31	\$ 9,348	\$ 293,318	\$ 302,666

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

**DOVER TOWNSHIP
ATHENS COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 29,418	\$ 217,846	\$ 247,264
Intergovernmental	25,708	134,298	160,006
Earnings on Investments	434	35	469
Miscellaneous		3,660	3,660
	55,560	355,839	411,399
Cash Disbursements			
Current:			
General Government	79,041	2,796	81,837
Public Safety		35,772	35,772
Public Works		298,062	298,062
Health		39,032	39,032
Human Services		13	13
Conservation-Recreation			0
Other			0
Capital Outlay		9,782	9,782
Debt Service:			
Principal Retirement		15,497	15,497
Interest and Fiscal Charges		1,280	1,280
	79,041	402,234	481,275
Excess of Cash Receipts Over/(Under) Cash Disbursements	(23,481)	(46,395)	(69,876)
Other Financing Receipts (Disbursements)			
Transfers-In		12,000	12,000
Transfers-Out	(12,000)		(12,000)
	(12,000)	12,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(35,481)	(34,395)	(69,876)
Fund Cash Balances, January 1, as restated (See Note 8)	66,420	257,093	323,513
Fund Cash Balances, December 31	\$ 30,939	\$ 222,698	\$ 253,637

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

**DOVER TOWNSHIP
ATHENS COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Dover Township, Athens County (the Township), as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits

The Township had one primary, interest bearing checking account during the audit period.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Gasoline Tax Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads.

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

Special Levy Road Maintenance Fund – This fund receives tax levy money for constructing, maintaining, and repairing Township roads.

**DOVER TOWNSHIP
ATHENS COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled and reappropriated in the subsequent year.

A summary of 2011 and 2010 budgetary activity appears in Note 4.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**DOVER TOWNSHIP
ATHENS COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

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

G. Property, Plant, and Equipment

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

H. Accumulated Leave

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

2. Change in Accounting Principle

For fiscal year 2011, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

3. Equity in Pooled Deposits

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

	<u>2011</u>	<u>2010</u>
Demand deposits	<u>\$302,666</u>	<u>\$253,637</u>

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

**DOVER TOWNSHIP
ATHENS COUNTY**

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

4. Budgetary Activity

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

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,551	\$54,545	\$1,994
Special Revenue	520,836	386,702	(134,134)
Total	\$573,387	\$441,247	(\$132,140)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$82,978	\$76,136	\$6,842
Special Revenue	733,848	316,082	417,766
Total	\$816,826	\$392,218	\$424,608

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,551	\$55,560	\$3,009
Special Revenue	520,836	367,839	(152,997)
Total	\$573,387	\$423,399	(\$149,988)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$93,750	\$91,041	\$2,709
Special Revenue	703,989	402,234	301,755
Permanent	0	0	0
Total	\$797,739	\$493,275	\$304,464

5. Property Tax

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

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

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.

**DOVER TOWNSHIP
ATHENS COUNTY**

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

5. Property Tax (Continued)

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

6. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2011.

7. Risk Management

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, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 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.

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, 2011 and 2010.

**DOVER TOWNSHIP
ATHENS COUNTY**

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

7. Risk Management (Continued)

	<u>2011</u>	<u>2010</u>
Assets	\$35,08	\$35,85
Liabilities	<u>(9,718)</u>	<u>(10,66)</u>
Net Assets	<u>\$25,36</u>	<u>\$25,19</u>

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$9.1 and \$9.9 million of estimated incurred claims payable. The assets above also include approximately \$8.6 and \$9.5 million of unpaid claims to be billed to approximately 938 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Township's share of these unpaid claims collectible in future years is approximately \$12,300.

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>	
<u>2011</u>	<u>2010</u>
\$18,299	\$15,360

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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.

8. Restatement of Beginning Balances

The January 1, 2010, balance was restated due to 2009 checks being voided in 2010 as follows:

Fund Type	12/31/2009 Balance	Amount	Restated 1/1/2010 Balance
Special Revenue	\$ 257,508	\$ (415)	\$ 257,093



Dave Yost • Auditor of State

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

Dover Township
Athens County
16145 Millfield Road
Millfield, Ohio 45761

To the Board of Trustees:

We have audited the financial statements of Dover Township, Athens County Ohio (the Township), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated November 15, 2012, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America and has adopted Governmental Accounting Standards Board Statement No. 54. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 Finding 2011-01 described in the accompanying Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated November 15, 2012.

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Township's response and, accordingly we express no opinion on it.

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



Dave Yost
Auditor of State

November 15, 2012

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

FINDING NUMBER 2011-01

Material Weakness - Financial Statement Adjustments and Reclassifications

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

In 2010, the Township Fiscal Officer posted certain revenue and expenditure transactions incorrectly. The following items were noted:

- In the General Fund, taxes were overstated by \$5,222. Of this amount, \$4,260, relating to sources such as homestead and rollback, was reclassified as intergovernmental, \$962, property tax receipts, was moved to the correct Special Revenue Fund (i.e., Fire Fund).
- In the Special Revenue Funds, intergovernmental receipts of \$29,082, relating to sources such as homestead and rollback, were improperly posted as taxes. Of that, \$2,021 was reclassified to the proper fund within Special Revenue funds. Additionally, an IRS refund for \$1,338 was improperly posted as intergovernmental receipts and was reclassified as miscellaneous.
- Principal and interests payments of \$15,496 and \$1,280, respectively, were improperly posted as capital outlay and public works in the Road and Bridge Fund and Motor Vehicle License Fund respectively.

In 2011, the Township Fiscal Officer posted certain revenue and expenditure transactions incorrectly. The following items were noted:

- In the General Fund, taxes were overstated by \$2,920. This amount, relating to sources such as homestead and rollback, was reclassified as intergovernmental.
- In the Special Revenue Funds, intergovernmental receipts of \$20,703, relating to sources such as homestead and rollback, were improperly posted as taxes. Additionally, \$16,492 of real estate taxes were improperly posted as intergovernmental receipts in the Fire Special Revenue Fund, and were reclassified to the correct Cemetery Fund.
- Principal and interests payments of \$15,694 and \$1,107, respectively, were improperly posted as capital outlay in the Road Maintenance Levy Fund and was reclassified to Principal and Interest in the Gasoline Tax Fund.

For 2011, during the GASB 54 transition time, the Fiscal Officer incorrectly classified the Motor Vehicle License Tax, Road and Bridge, Gasoline Tax, Special Levy Road Maintenance and Permissive MVL December 31, 2011 fund balances as Committed rather than as Restricted. Additionally, the December 31, 2011 fund balances of the Cemetery Fund and the Special Levy Cemetery Fund were improperly classified as Assigned rather than as Restricted.

As a result, significant adjustments and reclassifications, with which the Township's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

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

**FINDING NUMBER 2011-01
(Continued)**

Material Weakness - Financial Statement Adjustments and Reclassifications (Continued)

We recommend the Fiscal Officer refer to the Township Handbook for proper classification and take additional care in posting transactions to the Township's ledgers in order to ensure the financial statements reflect the appropriate sources of the receipts and expenditures.

Officials' Response: The Fiscal Officer stated he will refer to the Township Handbook to assure proper posting in the future.

**DOVER TOWNSHIP
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Ohio Rev. Code Section 5705.36(A) (4): Noncompliance Citation for appropriations exceeding actual resources.	No	Partially corrected. Repeated in a separate letter to management.
2009-002	Ohio Rev. Code Section 5705.39: Noncompliance Citation for appropriations exceeding estimated resources.	Yes	
2009-003	Ohio Rev. Code Section 5705.41(B): Noncompliance Citation for appropriations exceeding expenditures.	No	Partially corrected. Repeated in a separate letter to management.
2009-004	Ohio Admin. Code Section 117-2-02(D)(3) and (5): Noncompliance Citation and significant deficiency for reconciling with the bank.	Yes	
2009-005	Material Weakness for adjustments made to the financial statements.	No	Not corrected. Repeated in the current audit as finding number 2011-01.
2009-006	Material Weakness for approved budgeted amounts not agreeing to the system.	No	Partially corrected. Repeated in a separate letter to management.

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Dave Yost • 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
DECEMBER 4, 2012**