



OHIO AUDITOR OF STATE  
**KEITH FABER**





DOVER TOWNSHIP  
ATHENS COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Dover Township  
Athens County  
16145 Millfield Road  
Millfield, Ohio 45761

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Dover Township, Athens County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2025, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

November 3, 2025

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**Dover Township***Athens County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$37,009	\$423,974	\$460,983
Intergovernmental	30,471	170,594	201,065
Earnings on Investments	615	418	1,033
Miscellaneous	4,633	7,313	11,946
<i>Total Cash Receipts</i>	<u>72,728</u>	<u>602,299</u>	<u>675,027</u>
<b>Cash Disbursements</b>			
Current:			
General Government	51,413	7,000	58,413
Public Safety	0	43,676	43,676
Public Works	0	366,498	366,498
Health	0	42,855	42,855
Capital Outlay	1,803	147,535	149,338
Debt Service:			
Principal Retirement	5,560	28,112	33,672
Interest and Fiscal Charges	440	10,868	11,308
<i>Total Cash Disbursements</i>	<u>59,216</u>	<u>646,544</u>	<u>705,760</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,512</u>	<u>(44,245)</u>	<u>(30,733)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	0	2,121	2,121
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>2,121</u>	<u>2,121</u>
<i>Net Change in Fund Cash Balances</i>	13,512	(42,124)	(28,612)
<i>Fund Cash Balances, January 1</i>	<u>37,408</u>	<u>661,464</u>	<u>698,872</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$50,920</u></u>	<u><u>\$619,340</u></u>	<u><u>\$670,260</u></u>

*See accompanying notes to the basic financial statements*

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**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the 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 services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Gasoline Tax Fund*** The Gasoline Tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

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

***Accumulated Leave***

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. leave. The Township will pay ¼ of accumulated sick time, up to 1000 hours. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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***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.

***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.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

### **Note 3 – Compliance**

Contrary to Ohio law, the Board of Trustees did not obtain an official certificate of estimated resources for 2023. As such, all appropriations exceeded estimated resources in 2023.

### **Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$72,728	\$72,728
Special Revenue	0	604,420	604,420
Total	\$0	\$677,148	\$677,148

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$94,200	\$63,562	\$30,638
Special Revenue	1,043,257	728,128	315,129
Total	<u>\$1,137,457</u>	<u>\$791,690</u>	<u>\$345,767</u>

**Note 5 – Deposits and Investments**

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

	<u>2023</u>
<b><i>Cash Management Pool:</i></b>	
Demand Deposits	\$670,260

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding \$15,207 in unremitted payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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**Note 7 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

***Social Security***

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township is holding \$610 in unremitted Social Security required through December 31, 2023.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Truck Lease	\$199,251	4.60%
Building Bonds	161,342	0.85%
Total	<u><u>\$360,593</u></u>	

The Township issued \$200,000 in general obligation bonds in 2021 to finance the construction of a Township building. The interest rate was established at .85% per annum. The Township's taxing authority collateralized the bonds. The bonds mature on March 19, 2031.

***Financed Purchases***

The Township has entered into financed purchases agreements for a fire truck where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$38,980 to pay these costs for the fiscal year ended June 30, 2023.

***Amortization***

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



**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*  
*(Continued)*

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Year Ending December 31:	Fire Truck Lease	Building Bonds
2024	\$38,980	\$20,947
2025	38,980	20,947
2026	38,980	20,947
2027	38,980	20,947
2028	38,980	20,947
2029-2031	38,980	62,841
Total	<u>\$233,880</u>	<u>\$167,576</u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Fund Balances**

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$0	\$0	\$0
Corpus	0	0	0
Outstanding Encumbrances	<u>4,346</u>	<u>81,584</u>	<u>85,930</u>
Total	<u>\$4,346</u>	<u>\$81,584</u>	<u>\$85,930</u>

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Township expended COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$38,546	\$321,219	\$359,765
Intergovernmental	29,968	491,623	521,591
Earnings on Investments	274	195	469
Miscellaneous	0	21,700	21,700
<i>Total Cash Receipts</i>	<u>68,788</u>	<u>834,737</u>	<u>903,525</u>
<b>Cash Disbursements</b>			
Current:			
General Government	57,768	10,000	67,768
Public Safety	0	46,027	46,027
Public Works	0	641,275	641,275
Health	0	55,039	55,039
Capital Outlay	8,979	30,294	39,273
Debt Service:			
Principal Retirement	6,432	23,421	29,853
Interest and Fiscal Charges	568	10,606	11,174
<i>Total Cash Disbursements</i>	<u>73,747</u>	<u>816,662</u>	<u>890,409</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,959)</u>	<u>18,075</u>	<u>13,116</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	0	1,155	1,155
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>1,155</u>	<u>1,155</u>
<i>Net Change in Fund Cash Balances</i>	<u>(4,959)</u>	<u>19,230</u>	<u>14,271</u>
<i>Fund Cash Balances, January 1</i>	<u>42,367</u>	<u>642,234</u>	<u>684,601</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$37,408</u></u>	<u><u>\$661,464</u></u>	<u><u>\$698,872</u></u>

*See accompanying notes to the basic financial statements*

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**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the 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 services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool . Note 7 to the financial statements provides additional information for this entity. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Slip Repair Fund*** The Slip Repair Fund accounts for and reports grant funding for a slip repair project within the Township.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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***Budgetary Process***

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

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

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

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

A summary of 2022 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

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

***Accumulated Leave***

Township employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. leave. The Township will pay ¼ of accumulated sick time, up to 1000 hours. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**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.

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

### **Note 3 – Compliance**

Contrary to Ohio law, the Board of Trustees did not approve or sign any appropriation resolution in 2022. As a result, all expenditures of the Township exceeded appropriation authority as of December 31, 2022 and no expenditures were properly encumbered.

### **Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$73,500	\$68,788	(\$4,712)
Special Revenue	596,000	835,892	239,892
Total	<u>\$669,500</u>	<u>\$904,680</u>	<u>\$235,180</u>

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$73,747	(\$73,747)
Special Revenue	0	816,662	(816,662)
Total	\$0	\$890,409	(\$890,409)

**Note 5 – Deposits and Investments**

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

	2022
<b><i>Cash Management Pool:</i></b>	
Demand Deposits	\$698,872

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$4,572 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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



**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**Note 7 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

***Social Security***

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Truck Lease	\$227,363	4.60%
Building Bonds	<u>180,753</u>	0.85%
Total	<u><u>\$408,116</u></u>	

The Township issued \$200,000 in general obligation bonds in 2021 to finance the construction of a Township building. The interest rate was established at .85% per annum. The Township's taxing authority collateralized the bonds. The bonds mature on March 19, 2031.

***Financed Purchases***

The Township has entered into financed purchases agreements for a fire truck where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$38,980 to pay these costs for the fiscal year ended June 30, 2022.

***Amortization***

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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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Year Ending December 31:	Fire Truck Lease	Building Bonds
2023	\$38,980	\$20,947
2024	\$38,980	20,947
2025	\$38,980	20,947
2026	\$38,980	20,947
2027	\$38,980	20,947
2028-2031	77,960	83,788
Total	\$272,860	\$188,523

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Fund Balances**

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

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of Dover Township, Athens County, Ohio (the Township) and have issued our report thereon dated November 3, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 and 2023-004 through 2023-006 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2023-001 through 2023-003.

### ***Township's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### ***Purpose of this Report***

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

November 3, 2025

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2023-001**

**Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority. The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the County Budget Commission, or in case of appeal, by the Board of Tax Appeals. No appropriation measure shall become effective until the County Auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

The Fiscal Officer did not certify to the County Auditor the total amount from all sources available for expenditures from each fund or obtain a certificate of estimated resources from the Budget Commission in 2023. As such, all appropriations exceeded estimated resources in 2023. This was not detected by the Township due to deficiencies in the budgetary compliance and monitoring control policies and procedures. Failure to obtain the required amended certificate of estimated resources can lead to improper budgeting and limits the effectiveness of management monitoring.

The Fiscal Officer should, on or about the first day of each fiscal year, certify to the county auditor the total amount from all sources available for expenditures from each fund and obtain the approved amended certificate of estimated resources.

**Officials’ Response:** The Fiscal Officer will make sure this gets turned into the County Auditor.

**FINDING NUMBER 2023-002**

**Noncompliance**

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-002 (Continued)**

**Noncompliance - Ohio Rev. Code § 5705.38(A) (Continued)**

The Board did not approve appropriation measures for 2022. Due to inadequate policies and procedures in approving appropriations, all expenditures of the Township in 2022 exceeded appropriations. The failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board should adopt and approve an appropriation measure on or about the first day of January each year. The Board should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Officials' Response:** The Fiscal Officer has the Trustees approve the appropriations, expenditures and budget at the first meeting of the year. The Fiscal Officer will do a better job of documenting that in minutes.

**FINDING NUMBER 2023-003**

**Noncompliance**

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required meet the obligation or, the case of continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated 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 void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

- "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Trustees can authorize the drawing of a warrant for the payment of the amount due. The Board of Trustees has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.



**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-003 (Continued)**

**Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)**

- Blanket Certificate – The auditor or fiscal officer may prepare “blanket” certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line-item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line-item appropriation.
- Super Blanket Certificate – The Board of Trustees may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Due to deficiencies in internal controls, the Fiscal Officer did not properly encumber purchases in 2022 as the Board did not formally approve any appropriations. Further, the Board utilized blanket purchase orders in both 2022 and 2023 without passing the resolution establishing a maximum amount as required. In addition, the Township could not provide four purchase orders in 2022 and three in 2023. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

**Officials’ Response:** The Fiscal Officer now understands that Blanket Certificates need a maximum amount and will do better.

**FINDING NUMBER 2023-004**

**Material Weakness - Budgetary Amounts Not Recorded in Accounting System**

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation Resolution and subsequent amendments establish the legal spending authority of the Township, and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-004 (Continued)**

**Material Weakness - Budgetary Amounts Not Recorded in Accounting System (Continued)**

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township did not have procedures in place to ensure authorized budgetary measures were accurately reflected in the accounting system.

- In 2022, the Board did not approve appropriations; however, appropriations were posted to the system.
- In addition, in 2022, estimated receipts in the accounting system exceeded the Certificate of Estimated Resources estimated receipts by \$38,866, \$20,100, \$152,370, \$174,673, and \$29,422 in the General Fund, Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund, and Cemetery Fund, respectively.
- In 2023, the Township did not receive a Certificate of Estimated Resources; however, posted estimated receipts to the system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**Officials' Response:** The Fiscal Officer will be sure to document the Trustees approving the annual budget.

**FINDING NUMBER 2023-005**

**Material Weakness - Bank Reconciliation Process**

Sound accounting practices require 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.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-005**

**Material Weakness - Bank Reconciliation Process (Continued)**

The Fiscal Officer did not properly reconcile the bank statements to the cash journal monthly resulting in reconciling factors due to timing issues and other variances. Bank reconciliations completed included "other adjusting factors" for every month in 2022 and 2023.

In 2022, there were checks included on the outstanding check list in the amount of \$4,445 which had actually cleared the bank, three checks in the amount of \$1,141 which were marked cleared in the system when actually still outstanding, and three duplicate checks totaling \$3,420 on the outstanding check list that should have been voided. There were additional adjusting factors of \$1,584 in 2022 and \$8,161 in 2023 that were a result of incorrect posting of disbursements and prior audit balances. The bank reconciliations were also not properly reviewed and approved by the Board of Trustees for eleven months in 2022 and 2023, respectively, as the signature page did not include the bank reconciliation for these months. The bank reconciliations were not included in the financial reports to the Trustees for all months of 2022 and 2023.

Failure to reconcile monthly increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance-related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

**Officials' Response:** The Fiscal Officer is working to do better with the bank reconciliations.

**FINDING NUMBER 2023-006**

**Material Weakness - Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Fiscal Officer posted certain transactions incorrectly resulting in material audit adjustments.

For the year ended December 31, 2023, the following items were noted:

- Reconciling items on the Bank Reconciliation include receipt and expenditures not posted accurately to the system, resulting in:
  - General Fund- an increase in General Government of \$7,070.
- Receipts were misclassified or not posted at gross, resulting in:
  - General Fund- a decrease in Property and Other Local Taxes of \$5,341, an increase in Intergovernmental receipts of \$3,587 and an increase in Miscellaneous receipts of \$4,633;
  - Motor Vehicle License Tax Fund- a decrease of Intergovernmental receipts of \$2,879.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-006 (Continued)**

**Material Weakness - Financial Reporting (Continued)**

- The Fiscal Officer did not properly record debt payments resulting in:
  - General Fund- a decrease in Capital Outlay of \$6,000, an increase in Principal Retirement of \$5,560, and Interest and Fiscal Charges of \$440;
  - Special Levy Fire Fund- an increase of Principal Retirement of \$28,112, an increase in Interest and Fiscal Charges of \$10,868, and a decrease in Public Safety of \$38,980.
- Expenditures were misclassified related to American Rescue Plan Act grant funding, resulting in an increase in Public Works in the American Rescue Plan Act Fund of \$63,888 and a decrease in Capital Outlay in the Permanent Improvement Fund of \$63,888.
- Expenditures were incorrectly posted for the purchase of a truck, resulting in an increase in Capital Outlay and decrease of Health in the Cemetery Fund and Special Levy Cemetery Fund of \$30,100 and \$23,000, respectively.

For the year ended December 31, 2022:

- Reconciling items on the Bank Reconciliation include receipt and expenditures not posted accurately to the system, resulting in:
  - General Fund- a decrease in General Government expenses of \$1,128 and an increase in Intergovernmental receipt of \$493;
  - Road and Bridge Fund- a decrease in Public Works of \$2,118;
  - Fire Fund- a decrease in Health of \$790; and
  - Gasoline Tax Fund- a decrease in Public Works of \$611.
- Confirmable receipts were misclassified or not posted at gross, resulting in:
  - General Fund- a decrease of Property and Other Local Taxes of \$2,178, an increase in Intergovernmental receipts of \$5,430, and an increase in General Government of \$3,252;
  - Permanent Improvement Fund- a decrease in Other Debt Proceeds of \$136,299; and
  - American Rescue Plan Act Fund- an increase in Intergovernmental receipts of \$136,299.
- The Fiscal Officer did not properly classify debt payments resulting in:
  - General Fund- a decrease in Capital Outlay of \$7,000, an increase of Principal Retirement of \$6,432 and Interest and Fiscal Charges of \$568;
  - American Rescue Plan Act Fund- an increase of Principal Retirement of \$23,421, and Interest and Fiscal Charges of \$10,606; and
  - Permanent Improvement Fund- a decrease of Capital Outlay of \$34,027.
- Expenditures were incorrectly posted related to the American Rescue Plan Act grant funding, resulting in an increase in Public Works in the American Rescue Plan Act Fund of \$17,730 and a decrease in Capital Outlay in the Permanent Improvement Fund of \$17,730.
- Receipts and Expenditures were incorrectly posted related to the Slip Repair Project which resulted in:
  - Special Levy Road Maintenance Fund- a decrease in Intergovernmental receipts of \$190,074, a decrease in Public Works of \$157,574, and a decrease in Miscellaneous receipts of \$17,500;
  - Motor Vehicle License Tax Fund- a decrease in Public Works of \$5,000;
  - Road and Bridge Fund- a decrease in Public Works of \$10,000; and
  - Slip Repair Project Fund- an increase in Intergovernmental receipts and Public Works of \$190,074.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2023-006 (Continued)**

**Material Weakness - Financial Reporting (Continued)**

These misstatements were caused by confusion over proper posting. As a result, these reclassifications/adjustments, along with other immaterial variances the Township opted to post, with which the Township's management agrees were made to the financial statements and ledgers and are reflected in the accompanying financial statements. Material adjustments/corrections were also made to the footnotes to the financial statements.

The Fiscal Officer should 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 classifications.

**Officials' Response:** The Fiscal Officer is keeping up to date on posting transactions.

<b>OTHER – FINDINGS FOR RECOVERY</b>
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In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS Compliance and Controls reports.

**FINDING NUMBER 2023-007**

**Finding for Recovery - Repaid Under Audit**

Ohio Rev. Code § 145.47 requires each employer to report and pay amounts withheld from all employees for contributions to the Ohio Public Employees Retirement System (OPERS) within thirty days of the end of the reporting period in which amounts were withheld.

The Fiscal Officer did not timely remit payments to OPERS for three months in 2023 and nine months in 2022. This resulted in late fees incurred and paid of \$694.49 and \$170.44 during 2023 and 2022, respectively.

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether "public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . ." Those determinations in an audit report constitute "findings for recovery." Ohio Rev. Code § 9.24(H)(3).

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010).

Of the late fee, penalty, and interest amounts incurred and paid, \$152.46 from 2022 was prior to September 13, 2022.

For conduct occurring after September 13, 2022, R.C. 507.14 states that a township fiscal officer or deputy fiscal officer shall not be held liable for a loss of public funds when the township fiscal officer or deputy fiscal officer has performed all official duties required of the township fiscal officer or deputy fiscal officer with reasonable care, but shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>OTHER – FINDINGS FOR RECOVERY (Continued)</b>
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**FINDING NUMBER 2023-007 (Continued)**

**Finding for Recovery - Repaid Under Audit (Continued)**

Of the late fee, penalty, and interest amounts incurred and paid, the \$694.49 from 2023 and \$17.98 from 2022 were after September 13, 2022.

The failure to make payments timely is considered gross negligence. Late payment fees, penalties and interest incurred through gross negligence are illegal expenditures which do not serve a proper public purpose. These charges would have been avoided had the funds been remitted by the required due dates.

William Russell, Fiscal Officer, was the official responsible for paying bills on time. The Fiscal Officer did not pay the OPERS obligation in a timely manner in 2022 and 2023. This repeated failure to pay these obligations timely is considered gross negligence. As a result of the above-mentioned instances regarding Mr. Russell, the Township incurred late fees, penalties and interest. Specifically, the total amount of late fees, penalties and interest that were paid by the Township to OPERS in 2023 and 2022 was \$864.93. The late fees, penalties and interest charges paid could have been avoided had the obligations been paid in a timely manner. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against William Russell, Fiscal Officer, in the amounts of \$263.16 and in favor of the Township's General Fund, \$285.38 and in favor of the Township's Gasoline Tax Fund, \$173.23 and in favor of the Township's Road and Bridge Fund, and \$143.16 and in favor of the Township's Special Levy- Cemetery Fund. This was repaid in full on October 25, 2025.

**Officials' Response:** The Fiscal Officer paid back to the Township these late fees.

**FINDING NUMBER 2023-008**

**Finding for Recovery - Repaid Under Audit**

Ohio Rev. Code § 5747.07 requires an employing government to remit taxes which it withheld pursuant to Ohio Rev. Code § 5705.06 (including the state payroll tax) to the appropriate authority. It also requires the employing government to report compensation paid and taxes withheld to the tax commissioner and to each of its own employees by January 31 of each year.

The Fiscal Officer withheld the required Ohio state income taxes during 2022 and 2023; however, payments were consistently paid late. This resulted in late fees and penalties in 2022.

Ohio Rev. Code § 117.24 requires the Auditor of State to determine whether "public money has been illegally expended, any public money collected has not been accounted for, any public money due has not been collected, or any public property has been converted or misappropriated. . . ." Those determinations in an audit report constitute "findings for recovery." Ohio Rev. Code § 9.24(H)(3).

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010).

Of the late fee, penalty, and interest amounts incurred and paid, \$703.87 from 2022 was prior to September 13, 2022.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>OTHER – FINDINGS FOR RECOVERY (Continued)</b>
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**FINDING NUMBER 2023-008 (Continued)**

**Finding for Recovery - Repaid Under Audit (Continued)**

For conduct occurring after September 13, 2022, R.C. 507.14 states that a township fiscal officer or deputy fiscal officer shall not be held liable for a loss of public funds when the township fiscal officer or deputy fiscal officer has performed all official duties required of the township fiscal officer or deputy fiscal officer with reasonable care, but shall be liable only when a loss of public funds results from the township fiscal officer's or deputy fiscal officer's negligence or other wrongful act.

Of the late fee, penalty, and interest amounts incurred and paid, \$359.24 from 2022 were after September 13, 2022.

The failure to make payments timely is considered gross negligence. Late payment fees, penalties and interest incurred through gross negligence are illegal expenditures which do not serve a proper public purpose. These charges would have been avoided had the funds been remitted by the required due dates.

William Russell, Fiscal Officer, was the official responsible for paying bills on time. The Fiscal Officer did not pay the State income tax withholding obligation in a timely manner in 2022 and 2023. This repeated failure to pay these obligations timely is considered gross negligence. As a result of the above-mentioned instances regarding Mr. Russell, the Township incurred late fees, penalties and interest. Specifically, the total amount of late fees, penalties and interest that were paid by the Township to the Ohio Department of Taxation in 2022 was \$1,063.11. The late fees, penalties and interest charges paid by the Township could have been avoided had the obligations been paid in a timely manner. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against William Russell, Fiscal Officer in the amounts of \$127.90 and in favor of the Township's General Fund, \$352.19 and in favor of the Township's Gasoline Tax Fund, \$358.08 and in favor of the Township's Road and Bridge Fund, and \$224.94 and in favor of the Township's Special Levy-Cemetery Fund. This was repaid in full on October 25, 2025.

**Officials' Response:** The Fiscal Officer paid back these fees.

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**DOVER TOWNSHIP  
ATHENS COUNTY**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2023 AND 2022**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	Noncompliance related to Ohio Rev. Code § 5705.38(A) and Ohio Rev. Code § 5705.41(B) as the Board did not approve appropriations in 2020 resulting in all expenditures of the Township exceeding appropriations, as of December 31, 2020 and budgetary expenditures exceeding appropriations at December 21, 2021 in the General Fund by \$88,007.	Not Corrected	The appropriations were approved and signed at the first meeting of the year, but the Fiscal Officer did not put a signed copy in the files or the minutes.
2021-002	Noncompliance related to Ohio Rev. Code § 5705.39 as the Township's appropriations exceeded the amount certified as available by the Budget Commission various funds.	Not Corrected	The Fiscal Officer will review the certificate of resources to actual cashflow in the future.
2021-003	Noncompliance related to Ohio Rev. Code § 5705.41(D)(1) due to the lack of proper encumbrance and utilizing blanket purchase orders in both 2021 and 2020 without passing the resolution establishing a maximum amount as required.	Not Corrected	The Fiscal Officer did not understand the difference between regular and super blanket purchase orders.

**DOVER TOWNSHIP  
ATHENS COUNTY**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2023 AND 2022  
(Continued)**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-004	Material Weakness related to bank reconciliations as bank reconciliations completed including "outstanding adjustments" and/or "other adjusting factors" for every month in 2020 and 2021.	Not Corrected	The Fiscal Officer will work through past bank reconciliation to fix.
2021-005	Material Weakness related to budgetary amounts in the accounting system differing from the actual approved budgetary amounts.	Not Corrected	The Fiscal Officer will have the board approve the difference amounts.
2021-006	Material Weakness in Financial Reporting due to material audit adjustments identified.	Not Corrected	The Fiscal Officer will review proper placement of funds.

# OHIO AUDITOR OF STATE KEITH FABER



**DOVER TOWNSHIP**

**ATHENS COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/18/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)