



**Auditor of State
Betty Montgomery**

**DOVER TOWNSHIP
UNION COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Dover Township
Union County
11859 U.S. Route 36
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Dover Township, Union County, Ohio, (the Township) as of and for the years ended December 31, 2002, and December 31, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Dover Township, Union County, Ohio, as of December 31, 2002, and December 31, 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2003, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

February 14, 2003

**DOVER TOWNSHIP
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$45,941	\$117,631	\$0	\$163,572
Intergovernmental	81,915	68,184	0	150,099
Special Assessments	0	669	4,093	4,762
Charges for Services	8,587	0	0	8,587
Licenses, Permits, and Fees	734	0	0	734
Earnings on Investments	5,477	3,235	0	8,712
Other Revenue	2,125	9	0	2,134
	<u>144,779</u>	<u>189,728</u>	<u>4,093</u>	<u>338,600</u>
Total Cash Receipts				
	<u>144,779</u>	<u>189,728</u>	<u>4,093</u>	<u>338,600</u>
Cash Disbursements:				
Current:				
General Government	82,666	0	0	82,666
Public Safety	0	107,039	0	107,039
Public Works	0	14,448	0	14,448
Health	8,005	305	0	8,310
Debt Service:				
Redemption of Principal	0	0	4,315	4,315
Interest and Fiscal Charges	0	0	321	321
Capital Outlay	344	53,094	0	53,438
	<u>91,015</u>	<u>174,886</u>	<u>4,636</u>	<u>270,537</u>
Total Cash Disbursements				
	<u>91,015</u>	<u>174,886</u>	<u>4,636</u>	<u>270,537</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>53,764</u>	<u>14,842</u>	<u>(543)</u>	<u>68,063</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	0	0	67	67
Transfers-Out	(67)	0	0	(67)
Other Sources	0	2,950	0	2,950
	<u>0</u>	<u>2,950</u>	<u>0</u>	<u>2,950</u>
Total Other Financing Receipts/(Disbursements)	<u>(67)</u>	<u>2,950</u>	<u>67</u>	<u>2,950</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>53,697</u>	<u>17,792</u>	<u>(476)</u>	<u>71,013</u>
Fund Cash Balances, January 1	<u>309,340</u>	<u>166,922</u>	<u>476</u>	<u>476,738</u>
Fund Cash Balances, December 31	<u><u>\$363,037</u></u>	<u><u>\$184,714</u></u>	<u><u>\$0</u></u>	<u><u>\$547,751</u></u>

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

**DOVER TOWNSHIP
UNION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$38,106	\$0	\$0	\$38,106
Intergovernmental	82,915	53,112	0	136,027
Special Assessments	0	614	4,130	4,744
Charges for Services	3,370	0	0	3,370
Fines and Forfeitures	5,021	0	0	5,021
Licenses, Permits, and Fees	669	0	0	669
Earnings on Investments	11,997	6,305	0	18,302
Other Revenue	11,263	1,133	0	12,396
Total Cash Receipts	153,341	61,164	4,130	218,635
Cash Disbursements:				
Current:				
General Government	71,165	0	0	71,165
Public Safety	1,090	94,596	0	95,686
Public Works	0	12,049	0	12,049
Health	4,775	0	0	4,775
Miscellaneous	36	0	0	36
Debt Service:				
Redemption of Principal	0	0	3,656	3,656
Interest and Fiscal Charges	0	0	591	591
Capital Outlay	6,394	48,848	0	55,242
Total Cash Disbursements	83,460	155,493	4,247	243,200
Total Cash Receipts Over/(Under) Cash Disbursements	69,881	(94,329)	(117)	(24,565)
Other Financing Receipts and (Disbursements):				
Transfers-In	0	200	0	200
Transfers-Out	(200)	0	0	(200)
Total Other Financing Receipts/(Disbursements)	(200)	200	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	69,681	(94,129)	(117)	(24,565)
Fund Cash Balances, January 1	239,659	261,051	593	501,303
Fund Cash Balances, December 31	\$309,340	\$166,922	\$476	\$476,738

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

**DOVER TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Dover Township, Union County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge and cemetery maintenance, and zoning operations. The Township contracts with the City of Marysville to provide fire protection and emergency medical services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in Star Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**DOVER TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Motor Vehicle License Fund – This fund receives tax money for constructing, maintaining and repairing township roads.

Fire Levy Fund – This fund receives taxes to provide fire protection for the Township.

Cemetery Fund – This fund receives fees for cemetery services and sales of cemetery lots.

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following Debt Service Fund:

General Note Retirement Fund - This fund received special assessments from the residents of Buxton Meadows for Township road improvement.

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 2002 and 2001 budgetary activity appears in Note 3.

**DOVER TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Demand deposits	\$104,012	\$40,881
STAR Ohio	443,739	435,857
Total deposits and investments	\$547,751	\$476,738

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$132,111	\$144,779	\$12,668
Special Revenue	174,524	192,678	18,154
Debt Service	4,050	4,160	110
Total	\$310,685	\$341,617	\$30,932

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$162,700	\$91,082	\$71,618
Special Revenue	283,800	174,886	108,914
Debt Service	2,000	4,636	(2,636)
Total	\$448,500	\$270,604	\$177,896

**DOVER TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$130,612	\$153,341	\$22,729
Special Revenue	75,050	61,364	(13,686)
Debt Service	4,044	4,130	86
Total	\$209,706	\$218,835	\$9,129

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$167,950	\$83,660	\$84,290
Special Revenue	269,100	155,493	113,607
Debt Service	4,044	4,247	(203)
Total	\$441,094	\$243,400	\$197,694

4. PROPERTY TAX

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

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

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

5. DEBT

The Township had issued a special assessment note to finance the repair and resurfacing of Buxton Road. The notes were collateralized solely by the Township's taxing authority. The notes have been completely paid off as of December 31, 2002.

**DOVER TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001 PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 2002.

The Township has obtained commercial insurance for the following risks:

- Comprehensive property
- General liability
- Vehicles

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

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Auditor of State Betty Montgomery

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

Dover Township
Union County
11859 U.S. Route 36
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Dover Township, Union County, Ohio, (the Township) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated February 14, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated February 14, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated February 14, 2003.

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Dover Township
Union County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

February 14, 2003



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

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DOVER TOWNSHIP

UNION 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
APRIL 3, 2003**