



**DOVER TOWNSHIP
UNION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DOVER TOWNSHIP
UNION COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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, 2000 and December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of an audit.

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

JIM PETRO
Auditor of State

March 2, 2001

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**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, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$37,685	\$95,451	\$0	\$133,136
Intergovernmental	116,136	65,141	0	181,277
Special Assessments	0	0	4,003	4,003
Charges for Services	13,243	0	0	13,243
Licenses, Permits, and Fees	501	0	0	501
Earnings on Investments	11,099	17,495	0	28,594
Other Revenue	1,948	0	0	1,948
	<u>180,612</u>	<u>178,087</u>	<u>4,003</u>	<u>362,701</u>
Total Cash Receipts	<u>180,612</u>	<u>178,087</u>	<u>4,003</u>	<u>362,701</u>
Cash Disbursements:				
Current:				
General Government	59,077	0	0	59,077
Public Safety	9,013	88,858	0	97,871
Public Works	0	12,605	0	12,605
Health	5,420	600	0	6,020
Debt Service:				
Redemption of Principal	0	0	3,459	3,459
Interest and Fiscal Charges	0	0	585	585
Capital Outlay	3,372	116,508	0	119,880
	<u>76,882</u>	<u>218,571</u>	<u>4,044</u>	<u>299,497</u>
Total Cash Disbursements	<u>76,882</u>	<u>218,571</u>	<u>4,044</u>	<u>299,497</u>
Total Receipts Over/(Under) Disbursements	<u>103,730</u>	<u>(40,484)</u>	<u>(42)</u>	<u>63,204</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	430	0	430
Transfers-Out	(430)	0	0	(430)
Other Sources	0	1,375	0	1,375
	<u>(430)</u>	<u>1,805</u>	<u>0</u>	<u>1,375</u>
Total Other Financing Receipts/(Disbursements)	<u>(430)</u>	<u>1,805</u>	<u>0</u>	<u>1,375</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	103,300	(38,679)	(42)	64,579
Fund Cash Balances, January 1	136,359	299,730	635	436,724
Fund Cash Balances, December 31	<u><u>\$239,659</u></u>	<u><u>\$261,051</u></u>	<u><u>\$593</u></u>	<u><u>\$501,303</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, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$37,615	\$91,839	\$0	\$129,454
Intergovernmental	81,207	64,798	0	146,005
Special Assessments	0	84	4,067	4,151
Charges for Services	11,686	300	0	11,986
Licenses, Permits, and Fees	593	0	0	593
Earnings on Investments	6,525	15,788	0	22,313
Other Revenue	1,700	0	0	1,700
	<u>139,325</u>	<u>172,809</u>	<u>4,067</u>	<u>316,202</u>
Total Cash Receipts	<u>139,325</u>	<u>172,809</u>	<u>4,067</u>	<u>316,202</u>
Cash Disbursements:				
Current:				
General Government	57,424	0	0	57,424
Public Safety	8,938	88,701	0	97,638
Public Works	0	21,225	0	21,225
Health	14,714	1,200	0	15,914
Debt Service:				
Redemption of Principal	0	0	3,278	3,278
Interest and Fiscal Charges	0	0	766	766
Capital Outlay	4,222	97,500	0	101,722
	<u>85,297</u>	<u>208,626</u>	<u>4,044</u>	<u>297,967</u>
Total Cash Disbursements	<u>85,297</u>	<u>208,626</u>	<u>4,044</u>	<u>297,967</u>
Total Receipts Over/(Under) Disbursements	<u>54,028</u>	<u>(35,817)</u>	<u>23</u>	<u>18,234</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>54,028</u>	<u>(35,817)</u>	<u>23</u>	<u>18,234</u>
Fund Cash Balances, January 1	<u>82,331</u>	<u>335,546</u>	<u>613</u>	<u>418,490</u>
Fund Cash Balances, December 31	<u><u>\$136,359</u></u>	<u><u>\$299,730</u></u>	<u><u>\$635</u></u>	<u><u>\$436,724</u></u>

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

**DOVER TOWNSHIP
UNION COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains and losses at the time of sale are recorded as receipts and disbursements respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**DOVER TOWNSHIP
UNION COUNTY**

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

Fire Fund - This fund receives tax money from a special fire levy to help cover the cost of fire protection.

3. Debt Service Funds

This fund is used to accumulate resources for the payment of 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 (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and 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 2000 and 1999 budgetary activity appears in Note 3.

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.

**DOVER TOWNSHIP
UNION COUNTY**

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

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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$82,788	\$43,415
Total deposits	82,788	43,415
STAR Ohio	418,515	393,309
Total investments	418,515	393,309
Total deposits and investments	\$501,303	\$436,724

Deposits: Deposits are either (1) 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 ending December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$122,193	\$180,612	\$58,419
Special Revenue	170,199	179,892	9,693
Debt Service	4,049	4,003	(46)
Total	\$296,441	\$364,507	\$68,066

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$153,200	\$77,312	\$75,888
Special Revenue	258,700	218,571	40,129
Debt Service	4,044	4,044	0
Total	\$415,944	\$299,927	\$116,017

**DOVER TOWNSHIP
UNION COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$101,435	\$139,325	\$37,890
Special Revenue	183,995	172,809	(11,186)
Debt Service	4,044	4,067	23
Total	\$289,474	\$316,201	\$26,727

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$154,250	\$85,297	\$68,953
Special Revenue	243,500	208,626	34,874
Debt Service	4,044	4,044	0
Total	\$401,794	\$297,967	\$103,827

4. PROPERTY TAX

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

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

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

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

**DOVER TOWNSHIP
UNION COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Special Assessment Notes	\$7,970	5.50%
Total	\$7,970	

The special assessment note was issued to finance the repair and resurfacing of Buxton Road. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	Special Assessment Notes
2001	4,044
2002	4,500
Total	\$8,544

6. RETIREMENT SYSTEMS

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

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

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

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

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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**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, 2000 and December 31, 1999, and have issued our report thereon dated March 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 another 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 March 2, 2001.

Dover Township
Union County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

March 2, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
MARCH 27, 2001**