



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 combined total as of and for the years ended December 31, 2021 and 2020, 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 combined total as of and for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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 the financial audit standards in the Comptroller General of the United States' *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 29, 2022, 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  
Auditor of State  
Columbus, Ohio

November 29, 2022

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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, 2021*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$40,344	\$340,985	\$0	\$381,329
Intergovernmental	25,417	334,578	0	359,995
Earnings on Investments	224	141	0	365
Miscellaneous	510	2,828	0	3,338
<i>Total Cash Receipts</i>	<u>66,495</u>	<u>678,532</u>	<u>0</u>	<u>745,027</u>
<b>Cash Disbursements</b>				
Current:				
General Government	44,211	7,000	0	51,211
Public Safety	0	34,412	0	34,412
Public Works	0	345,556	0	345,556
Health	0	56,881	0	56,881
Capital Outlay	61,929	148,090	200,000	410,019
Debt Service:				
Principal Retirement	0	40,536	0	40,536
Interest and Fiscal Charges	0	14,859	0	14,859
<i>Total Cash Disbursements</i>	<u>106,140</u>	<u>647,334</u>	<u>200,000</u>	<u>953,474</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(39,645)</u>	<u>31,198</u>	<u>(200,000)</u>	<u>(208,447)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	0	4,175	200,000	204,175
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>4,175</u>	<u>200,000</u>	<u>204,175</u>
<i>Net Change in Fund Cash Balances</i>	(39,645)	35,373	0	(4,272)
<i>Fund Cash Balances, January 1</i>	<u>82,012</u>	<u>606,861</u>	<u>0</u>	<u>688,873</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$42,367</u></u>	<u><u>\$642,234</u></u>	<u><u>\$0</u></u>	<u><u>\$684,601</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, 2021*

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**Note 1 – Reporting Entity**

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

***Public Entity Risk Pools***

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 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:

***Special Levy Road Maintenance Fund*** The Special Levy Road Maintenance Fund accounts for and reports that portion of special levy funding restricted for road maintenance within the Township.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

***Permanent Improvement Fund*** The Township received debt proceeds for building improvements. The proceeds are restricted for this purpose.

***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 (D). This basis is similar to the cash

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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receipts and disbursements accounting basis. The Board 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 (D) permit.

***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 canceled, and reappropriated in the subsequent year.

A summary of 2021 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***

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

***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:

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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***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.

***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 Fiscal Officer did not properly encumber all transactions. Further, contrary to Ohio Law, the Township's appropriations exceeded the amount certified as available by the budget commission in the Special Levy Cemetery, Miscellaneous Special Revenue, Miscellaneous Special Revenue Fire, Coronavirus Relief Fund, and Capital Projects-Permanent Improvement funds by \$6,558, \$5,100, \$20,000, \$ 123,090, and \$200,000, respectively. In addition, budgetary expenditures exceeded appropriations at December 21, 2021 in the General Fund by \$88,007.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

**Dover Township**  
Athens County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021  
(Continued)

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,693	\$66,495	\$20,802
Special Revenue	486,553	682,707	196,154
Capital Projects	0	200,000	200,000
<b>Total</b>	<b>\$532,246</b>	<b>\$949,202</b>	<b>\$416,956</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$18,133	\$106,140	(\$88,007)
Special Revenue	782,617	647,334	135,283
Capital Projects	200,000	200,000	0
<b>Total</b>	<b>\$1,000,750</b>	<b>\$953,474</b>	<b>\$47,276</b>

**Note 5 – Deposits**

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 accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand Deposits	\$684,601

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, 2021, the Township is holding \$1,209 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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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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.

**Note 7 – Risk Management**

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 (local entity'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>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

***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.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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, 2021.

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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***Social Security***

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

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, 2021.

**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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
John Deere Lease	\$15,656	4.75%
Fire Truck Lease	\$254,193	4.6%
Building Bonds	200,000	0.85%
Total	\$469,849	

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.

***Leases***

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$55,395 to pay lease costs for the year ended December 31, 2021.

***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, 2021*  
(Continued)

Year Ending December 31:	John Deere Lease	Fire truck Lease	Building Bonds
2022	16,415	38,980	20,947
2023		38,980	20,948
2024		38,980	20,947
2025		38,980	20,948
2026		38,980	20,947
2027-2031		116,940	104,737
Total	<u>\$16,415</u>	<u>\$311,840</u>	<u>\$209,474</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 facilities 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>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would including 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 continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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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, 2020*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$35,422	\$312,829	\$348,251
Intergovernmental	25,963	313,718	339,681
Earnings on Investments	332	175	507
Miscellaneous	31,474	4,970	36,444
<i>Total Cash Receipts</i>	<u>93,191</u>	<u>631,692</u>	<u>724,883</u>
<b>Cash Disbursements</b>			
Current:			
General Government	51,116	7,000	58,116
Public Safety	0	44,082	44,082
Public Works	0	270,188	270,188
Health	0	134,274	134,274
Capital Outlay	64,709	17,500	82,209
Debt Service:			
Principal Retirement	0	38,677	38,677
Interest and Fiscal Charges	0	16,718	16,718
<i>Total Cash Disbursements</i>	<u>115,825</u>	<u>528,439</u>	<u>644,264</u>
<i>Net Change in Fund Cash Balances</i>	(22,634)	103,253	80,619
<i>Fund Cash Balances, January 1</i>	<u>104,646</u>	<u>503,608</u>	<u>608,254</u>
<i>Fund Cash Balances, December 31</i>	<u>\$82,012</u>	<u>\$606,861</u>	<u>\$688,873</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, 2020*

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**Note 1 – Reporting Entity**

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

***Public Entity Risk Pools***

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 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:

***Road and Bridge Fund*** The Road and Bridge Fund accounts for and reports that portion of the levy monies restricted for maintenance and repair of roads within the Township.

***Special Levy Cemetery Fund*** The Special Levy Cemetery Fund accounts for and reports that portion of special levy funding restricted for cemetery maintenance within the Township.

***Special Levy Road Maintenance Fund*** The Special Levy Road Maintenance Fund accounts for and reports that portion of special levy funding restricted for road maintenance 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 (D). This basis is similar to the cash

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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receipts and disbursements accounting basis. The Board 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 (D) permit.

***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 canceled, and reappropriated in the subsequent year.

A summary of 2020 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***

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

***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:

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

***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.

***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. As a result, all expenditures of the Township exceeded appropriation authority as of December 31, 2020. Further, this indicates that expenditures were not properly encumbered.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$74,500	\$93,191	\$18,691
Special Revenue	640,290	613,628	(26,662)
Total	\$714,790	\$706,819	(\$7,971)

**Dover Township**  
Athens County  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2020  
(Continued)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$115,825	(\$115,825)
Special Revenue	0	528,439	(528,439)
Total	\$0	\$644,264	(\$644,264)

**Note 5 – Deposits**

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 accounts are as follows:

<b><i>Cash Management Pool:</i></b>	2020
Demand Deposits	\$688,873

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, 2020, the Township is holding \$1,227 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.

**Note 7 – Risk Management**

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:



**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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- 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>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

***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.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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, 2020.

***Social Security***

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

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, 2020.

**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

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

**Note 10 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
John Deere Lease	\$30,586	4.75%
Fire Truck Lease	\$279,798	4.6%
Total	\$310,384	

**Leases**

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$55,395 to pay lease costs for the year ended December 31, 2020.

**Amortization**

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

Year Ending December 31:	John Deere Lease	Fire truck Lease
2021	\$16,415	\$38,980
2022	16,415	38,980
2023		38,980
2024		38,980
2025		38,980
2026-2029		155,920
Total	\$32,830	\$350,820

**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 unexpended corpus of the permanent funds.

**Dover Township**  
*Athens County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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 facilities 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	0	0	0
Total	\$0	\$0	\$0

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would including 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 continues. During 2020, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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**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 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Dover Township, Athens County, Ohio (the Township), and have issued our report thereon dated November 29, 2022, 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 purposes 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 2021-004 through 2021-006 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 2021-001 through 2021-003.

***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***

This 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  
Auditor of State  
Columbus, Ohio

November 29, 2022

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020**

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

**FINDING NUMBER 2021-001**

**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.

For the year ended December 31, 2020, the Board did not approve or sign any appropriation resolution. Further, the minute record did not indicate any approval of an appropriation resolution nor did the Township file any appropriations with the County Auditor. Due to inadequate policies and procedures in approving appropriations, all expenditures of the Township exceeded appropriations, as of December 31, 2020. In addition, budgetary expenditures exceeded appropriations at December 31, 2021 in the General Fund by \$88,007. 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 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 Township will work to improve.

**FINDING NUMBER 2021-002**

**Noncompliance**

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.

At December 31, 2021 the Township's appropriations exceeded the amount certified as available by the Budget Commission in the Special Levy Cemetery, Miscellaneous Special Revenue, Miscellaneous Special Revenue Fire, Coronavirus Relief Fund, and Capital Projects-Permanent Improvement funds by \$6,558, \$5,100, \$20,000, \$ 123,090, and \$200,000, respectively. The failure to limit appropriations to the amount certified by the Budget Commission due to deficiencies in the Township's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-002 (Continued)**

**Noncompliance - Ohio Rev. Code § 5705.39 (Continued)**

The Township should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Township should submit an amended certificate of estimated resources to the Budget Commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board to reduce the appropriations

**Official's Response:** The Township will work to improve.

**FINDING NUMBER 2021-003**

**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 for the order or contract 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 Fiscal Officer'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 §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

1. "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 can authorize the drawing of a warrant for the payment of the amount due. The Board 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 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.

2. 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.



**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-003 (Continued)**

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

3. Super Blanket Certificate – The Board 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.

The Fiscal Officer did not properly encumber purchases in 2020 as the Board did not formally approve any appropriations. 80 percent of 2021 transactions tested were not properly encumbered, nor were any of the exceptions above applied. In addition, the Board utilized blanket purchase orders in both 2021 and 2020 without passing the resolution establishing a maximum amount as required. The 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 Board should approve appropriations and set limits on blanket certificates. Further, 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.

**Official's Response:** The Fiscal Officer will work to improve.

**FINDING NUMBER 2021-004**

**Material Weakness- Bank Reconciliations**

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) to the accounting system 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.

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 "outstanding adjustments" and/or "other adjusting factors" for every month in 2020 and 2021. In 2021, there were checks included on the outstanding check list in the amount of \$2,535, which had actually cleared the bank, and there was a check in the amount of \$41 which was marked cleared in the system when it was actually still outstanding. There were additional adjusting factors of \$3,260 in 2020 and \$221 in 2021 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 for January through September of 2020 and for October 2021 as the signature page was not on file to show review and approval of reconciliations or financial reports.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

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

**FINDING NUMBER 2021-004 (Continued)**

**Material Weakness- Bank Reconciliations (Continued)**

The 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. Additionally, the Fiscal Officer should mark electronic check numbers 58-2021 and 59-2021 cleared in the Township's accounting system since they cleared the bank in August 2021. Finally, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

**Official's Response:** The Fiscal Officer will work to improve.

**FINDING NUMBER 2021-005**

**Material Weakness- Approved Appropriations and Estimated Resources**

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.

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.

At December 31, 2021, estimated receipts as posted to the accounting system did not agree to the Certificate of Estimated Resources as follows:

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

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

**FINDING NUMBER 2021-005 (Continued)**

**Material Weakness- Approved Appropriations and Estimated Resources (Continued)**

Fund	Estimated Receipts in the Uniform Accounting Network	Estimated Receipts per the approved Certificate of Estimated Resources	Variance
General Fund	\$73,500	\$42,226	(\$31,274)
Motor Vehicle License Tax Fund	20,100	0.00	(20,100)
Gasoline Tax Fund	132,000	0.00	(132,000)
Road and Bridge Fund	108,000	111,005	3,005
Cemetery Fund	4,100	0.00	(4,100)
Special Levy Fire Fund	68,300	61,644	(6,656)
Special Levy Cemetery Fund	56,100	47,402	(8,698)
Special Levy Road Maintenance Fund	129,300	123,190	(6,110)
Permissive Motor Vehicle License Tax Fund	10,100	0.00	(10,100)
Miscellaneous Special Revenue Fund	5,100	0.00	(5,100)
Miscellaneous Special Revenue VFD Fund	20,200	0.00	(20,200)
Permanent Improvement Fund	200,000	135,757	(64,243)

During the year ended December 31, 2020, the Fiscal Officer posted appropriation amounts into the accounting system without formally approving any appropriation resolution resulting in variances as follows:

Fund	Appropriations in the Uniform Accounting Network	Appropriations per the approved Appropriation Resolution	Variance
General Fund	133,450	0.00	(133,450)
Motor Vehicle License Tax Fund	20,100	0.00	(20,100)
Gasoline Tax Fund	122,800	0.00	(122,800)
Road and Bridge Fund	126,900	0.00	(126,900)
Cemetery Fund	3,100	0.00	(3,100)
Special Levy Fire Fund	101,900	0.00	(101,900)
Special Levy Cemetery Fund	148,600	0.00	(148,600)
Special Levy Road Maintenance Fund	150,400	0.00	(150,400)
Permissive Motor Vehicle License Tax Fund	9,100	0.00	(9,100)
Miscellaneous Special Revenue Fund	5,100	0.00	(5,100)
Miscellaneous Special Revenue VFD Fund	20,000	0.00	(20,000)

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

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.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-005 (Continued)**

**Material Weakness- Approved Appropriations and Estimated Resources (Continued)**

**Official's Response:** The Fiscal Officer will work to improve.

**FINDING NUMBER 2021-006**

**Material Weakness- Financial Reporting**

In our audit engagement letter, as required by AU-C § 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 § 210 paragraphs .A14 & .A16.

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

For the year ended December 31, 2021:

- Receipts were misclassified and not recorded at gross resulting in:
  - General Fund- an increase in Intergovernmental receipts of \$4,416, a decrease in Property and Other Local Taxes of \$1,459, an increase in Miscellaneous receipts of \$510, and an increase in General Government of \$4,155.
  - Permissive Motor Vehicle License Tax Fund- an increase in Miscellaneous receipts of \$557.
  - Gasoline Tax Fund- an increase in Miscellaneous receipts of \$197.
  - Road and Bridge Fund- an increase in Intergovernmental receipts of \$14,152, a decrease in Property and Other Local Taxes of \$12,035, an increase in Miscellaneous receipts of \$33, and an increase in Public Works of \$2,117.
  - Special Levy Fire Fund- an increase in Intergovernmental receipts of \$6,962, an increase in Miscellaneous receipts of \$541, an increase in Property and Other Local Taxes of \$15,884, and an increase in Public Safety of \$1,196.
  - Special Levy Cemetery Fund- a decrease in Intergovernmental receipts of \$27,497, an increase in Property and Other Local Taxes of \$5,818, and an increase in Health of \$1,176.
  - Special Levy Road Maintenance- an increase in Intergovernmental receipts of \$7,903, a decrease in Property and Other Local Taxes of \$4,960, and an increase in Public Works of \$2,378.
  - Coronavirus Relief Fund (ARP) - an increase in Intergovernmental receipts of \$135,757.
  - Capital Projects Permanent Improvement Fund- a decrease in Other Debt Proceeds of \$135,757.
- The Fiscal Officer did not properly record debt payments resulting in:
  - Motor Vehicle License Tax Fund- a decrease of \$4,000 in Public Works, an increase in Principal Retirement of \$3,638, and an increase in Interest and Fiscal Charges of \$362.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2021-006 (Continued)**

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

- Road and Bridge Fund- a decrease of \$4,500 in Public Works, an increase of \$4,093 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$407.
- Special Levy Road Maintenance Fund- a decrease of \$7,915 in Public Works, an increase of \$7,199 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$716.
- Special Levy Fire Fund- a decrease of \$38,890 in Public Safety, an increase of \$25,606 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$13,374.
- The Fiscal Officer made expenditures relating to the Cares Act Funding from the General Fund resulting in a decrease in Capital Outlay in the General Fund and an increase in Capital Outlay in the Coronavirus Relief Fund of \$123,090.

For the year ended December 31, 2020:

- Receipts were misclassified and not recorded at gross resulting in:
  - General Fund- a decrease in Intergovernmental receipts of \$148,973, a decrease in Property and Other Local Taxes of \$2,450, an increase in Miscellaneous receipts of \$31,474, and an increase in General Government of \$4,413.
  - Coronavirus Relief Fund- an increase in Intergovernmental receipts of \$123,090.
  - Gasoline Tax Fund- an increase in Miscellaneous receipts of \$173.
  - Road and Bridge Fund- an increase in Intergovernmental receipts of \$12,669, a decrease in Property and Other Local Taxes of \$10,117, and an increase in Public Works of \$2,534.
  - Special Levy Fire Fund- an increase in Intergovernmental receipts of \$7,537, an increase in Miscellaneous receipts of \$646, a decrease in Property and Other Local Taxes of \$6,072, and an increase in Public Safety of \$1,551.
  - Special Levy Cemetery Fund- an increase in Intergovernmental receipts of \$1,936, a decrease in Property and Other Local Taxes of \$766, and an increase in Health of \$1,230.
  - Special Levy Road Maintenance- an increase in Intergovernmental receipts of \$7,978, a decrease in Property and Other Local Taxes of \$4,887, and an increase in Public Works of \$3,061.
  - Permissive Motor Vehicle License Tax Fund- an increase in Miscellaneous receipts of \$551.
- The Fiscal Officer did not properly record debt payments resulting in:
  - Motor Vehicle License Tax Fund- a decrease of \$4,000 in Public Works, an increase in Principal Retirement of \$3,470, and an increase in Interest and Fiscal Charges of \$530.
  - Road and Bridge Fund- a decrease of \$5,000 in Public Works, an increase of \$4,337 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$663.
  - Special Levy Road Maintenance Fund- a decrease of \$7,415 in Public Works, an increase of \$6,432 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$983.

**DOVER TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2021 AND 2020  
(Continued)**

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

**FINDING NUMBER 2021-006 (Continued)**

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

- Special Levy Fire Fund- a decrease of \$38,890 in Public Safety, an increase of \$24,438 in Principal Retirement, and an increase in Interest and Fiscal Charges of \$14,542.

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 net effect of these adjustments, along with any other immaterial adjustments agreed to by the Township, are reflected in the following chart:

Fund	Unaudited Balance at 12/31/2021	Audited Balance at 12/31/2021	Variance
General Fund	\$47,655	\$42,367	(\$5,288)
Gasoline Tax Fund	177,360	177,730	370
Road and Bridge Fund	60,622	60,673	51
Special Levy Fire Fund	20,666	43,417	22,751
Special Levy Cemetery Fund	47,465	24,839	(22,626)
Special Levy Road Maintenance Fund	59,752	60,347	595
Permissive Motor Vehicle License Tax Fund	17,688	18,796	1,108
Coronavirus Relief Fund (2273)	0	135,757	135,757
Permanent Improvement Fund	135,757	0	(135,757)

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.

**Official's Response:** The Fiscal Officer will work to improve.

**DOVER TOWNSHIP  
ATHENS COUNTY**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Noncompliance relating to Ohio Rev. Code § 505.37(A) for competitive bidding.	Fully Corrected	N/A
2019-002	Noncompliance relating to Ohio Rev. Code § 5549.021 for competitive bidding.	Fully Corrected	N/A
2019-003	Noncompliance and Material Weakness relating to Ohio Rev. Code § 5705.41(B) and 5705.38 for expenditures exceeded appropriations.	Not Corrected	The Township will work to improve.
2019-004	Noncompliance relating to Ohio Rev. Code § 5705.41(D)(1) for improper encumbrance.	Not Corrected	The Fiscal Officer will work to improve.
2019-005	Material Weakness relating to check numbering.	Partially Corrected	Significant corrections were made during 2021 and 2020 leaving minimal check numbers not agreeing to underlying accounting system.
2019-006	Material Weakness relating to approved appropriations varying from amounts recorded in the accounting system.	Not Corrected	The Fiscal Officer will work to improve.
2019-007	Material Weakness relating to financial reporting due to audit adjustments.	Not Corrected	The Fiscal Officer will work to improve.
2019-008	Material weakness relating to bank reconciliations containing unidentified items.	Not Corrected	The Fiscal Officer will work to improve.

# 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 12/20/2022**

88 East Broad 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)