



**Mary Taylor, CPA**  
Auditor of State



**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Dover Township  
Tuscarawas County  
2201 Progress St.  
Dover, Ohio 44622

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Tuscarawas County, Ohio, (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Tuscarawas County, Ohio, as of December 31, 2008, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge and Fire District Funds thereof for the year ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2008, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2009, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

July 23, 2009

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

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This discussion and analysis of the Dover Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2008, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2008 are as follows:

Net assets of Township activities increased \$88,267 or 13.2 percent, a significant change from the prior year. The funds most affected by the change in cash and cash equivalents were the Fire District Fund, which gained \$66,575 over the prior end-of-year. The Road and Bridge Fund also gained \$58,455.

The Township's general receipts are primarily property taxes. These Receipts represent 69 percent of the total cash received for governmental activities during the year. Dover Township also receives approximately \$100,000 per year as waste collection fees from Kimble Landfill in Dover Township.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

#### **Report Components**

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

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**Reporting the Township as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2008, within the limitations of modified cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the Township at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, we governmental activities include the Township's programs and services including general government services, fire and ambulance protection and road and bridge maintenance. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. In Dover Township, the funds of the Township are entirely in governmental funds.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. Dover Township has four major governmental funds: General Fund, Gasoline Tax Fund, Road and Bridge Fund, and the Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2008 compared to 2007 and 2006 on a modified cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities		
	2008	2007	2006
<b>Assets</b>			
Cash and Cash Equivalents	\$757,545	\$669,128	\$564,501
<b>Net Assets</b>			
Restricted for:			
Debt Service			
Capital Outlay			\$44,372
Other Purposes	\$633,117	\$509,689	348,265
Unrestricted	124,428	159,589	171,864
Total Net Assets	\$757,545	\$669,278	\$564,501

As mentioned previously, net assets of governmental activities increased \$88,267 or 13.2 percent during 2008. The primary reasons contributing to the increases in cash balances are as follows:

- Decrease in equipment purchases.
- Buildup of Funds in Fire District Fund for future equipment purchases and potential land or building purchase.
- \$87,553 collected for Estate Taxes for 2008.

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

Table 2 reflects the changes in net assets in 2008, 2007 and 2006:

(Table 2)  
**Changes in Net Assets**

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$104,140	\$97,655	\$87,750
Operating Grants and Contributions	117,719	112,053	110,461
Total Program Receipts	<u>221,859</u>	<u>209,708</u>	<u>198,211</u>
General Receipts:			
Property and Other Local Taxes	516,831	510,690	499,179
Other Taxes	87,553	46,225	104,359
Grants and Entitlements Not Restricted	99,228	99,587	140,043
Interest	11,452	34,955	31,564
Sale of Capital Assets			42,250
Miscellaneous	33,511	37,049	28,041
Total General Receipts	<u>748,575</u>	<u>728,506</u>	<u>845,436</u>
Total Receipts	<u>970,434</u>	<u>938,214</u>	<u>1,043,647</u>
Disbursements:			
General Government	241,963	250,295	155,793
Public Safety	105,421	108,002	98,447
Public Works	475,964	412,102	446,373
Health	7,014	5,815	4,399
Capital Outlay	18,316	141,755	144,096
Principal Retirement		21,901	64,170
Interest and Fiscal Charges		345	2,213
Total Disbursements	<u>848,678</u>	<u>940,215</u>	<u>915,491</u>
Excess of Revenues Over/(Under) Expenditures	121,756	(2,001)	128,156
Other Financing Sources (Uses)	(33,489)	(21,378)	
Transfers In	6,000	6,000	
Transfers Out	(6,000)	(6,000)	
Total Other Financing Sources (Uses)	<u>(33,489)</u>	<u>(21,378)</u>	0
Net Change in Fund Balances	88,267	(23,379)	128,156
Net Assets, January 1, 2008	669,278	692,657	564,501
Net Assets, December 31, 2008	<u>\$757,545</u>	<u>\$669,278</u>	<u>\$692,657</u>

In 2008, program receipts represent 23 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

In 2008, general receipts represent 77 percent of the Township's total receipts and of this amount over 53 percent are property taxes. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

In 2008, disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the costs of the Fiscal Officer and the Trustees as well as internal services such as payroll and purchasing.

**Governmental Activities**

If you look at the Statement of Activities which accompanies this full yearly report, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for Township activities are for Public Works, Capital Outlay and Public Safety. General government also represents a significant cost, about 29 percent.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$250,295	(\$249,872)	\$241,963	(\$241,611)
Public Safety	108,002	(108,002)	105,421	(105,421)
Public Works	412,102	(202,817)	475,964	(254,457)
Health	5,815	(5,815)	7,014	(7,014)
Economic Development				
Other		(21,378)		(33,489)
Capital Outlay	141,755	(141,755)	18,316	(18,316)
Principal Retirement	21,901	(21,901)		
Interest and Fiscal Charges	345	(345)		
<b>Total Expenses</b>	<b>\$940,215</b>	<b>(\$751,885)</b>	<b>\$848,678</b>	<b>(\$660,308)</b>

The dependence upon property and intergovernmental receipts is apparent as over 63 percent of governmental activities are supported through these general receipts for 2008.

**The Township's Funds**

In 2008, total governmental funds had receipts and other financing sources of \$976,434 and disbursements and other financing uses of \$888,167.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund are the Road and Bridge Fund with the Fire District Fund second and the General Fund in third.

During 2008 the Township did not amend its General Fund budget to reflect the changing circumstances. Actual receipts exceeded budgeted receipts with the most significant variance occurring as a result of the Township receiving \$87,553 in unexpected Estate Tax.

Dover Township  
Tuscarawas County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2008  
(Unaudited)

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In 2008, final disbursements were budgeted and other financing uses at \$369,553 while actual disbursements and other financing uses were \$281,552 because the Township over estimated General Government Expenditures which makes up a majority of the difference.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure. Dover Township does keep track of Inventory and the Fiscal Officer files an Inventory Report with the Tuscarawas County Engineer's Office each January.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. As tax revenues fail to keep up with increased expenses, it is the hope that the services that the Township provides will not decrease in quality or quantity. Dover Township has been fortunate to have a solid tax base historically. The threat of annexation and the decrease in state funding are the potential threats to that base. At this time, the Township does not anticipate going to the taxpayers to ask for additional monies.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Drew Yosick, Fiscal Officer, Dover Township, 2201 Progress Street, Dover, Ohio, 44622, telephone 330-343-6413.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Net Assets - Modified Cash Basis  
December 31, 2008

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$757,545</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$633,117
Unrestricted	<u>124,428</u>
<i>Total Net Assets</i>	<u>\$757,545</u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2008

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities</b>			<b>Governmental Activities</b>
General Government	\$241,963	\$352	(\$241,611)
Public Safety	105,421		(105,421)
Public Works	475,964	103,788	(254,457)
Health	7,014		(7,014)
Capital Outlay	18,316		(18,316)
Other	33,489		(33,489)
<i>Total Governmental Activities</i>	<u>\$882,167</u>	<u>\$104,140</u>	<u>(660,308)</u>
		<b>General Receipts</b>	
		Property Taxes Levied for General Purposes	516,831
		Grants and Entitlements not Restricted to Specific Programs	99,228
		Estate Tax	87,553
		Interest	11,452
		Miscellaneous	33,511
		<i>Total General Receipts</i>	<u>748,575</u>
		Change in Net Assets	88,267
		<i>Net Assets Beginning of Year</i>	<u>669,278</u>
		<i>Net Assets End of Year</i>	<u>\$757,545</u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Modified Cash Basis Assets and Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008

	General	Gasoline Tax	Road and Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	<u>\$124,427</u>	<u>\$8,045</u>	<u>\$182,359</u>	<u>\$437,898</u>	<u>\$4,816</u>	<u>\$757,545</u>
<b>Fund Balances</b>						
Unreserved:						
Undesignated, Reported in:						
General Fund	\$124,427					\$124,427
Special Revenue Funds		\$8,045	\$182,359	\$437,898	\$4,816	633,118
<i>Total Fund Balances</i>	<u>\$124,427</u>	<u>\$8,045</u>	<u>\$182,359</u>	<u>\$437,898</u>	<u>\$4,816</u>	<u>\$757,545</u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008

	General	Gasoline Tax	Road And Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Property and Other Local Taxes	\$49,819		\$303,531	\$163,481		\$516,831
Intergovernmental	161,225	\$98,983	17,602	8,307	\$18,736	304,853
Licenses, Permits and Fees			103,788			103,788
Interest	11,119	309			25	11,453
Other	24,077		6,902	1,440	1,090	33,509
<i>Total Receipts</i>	<u>246,240</u>	<u>99,292</u>	<u>431,823</u>	<u>173,228</u>	<u>19,851</u>	<u>970,434</u>
<b>Disbursements</b>						
Current:						
General Government	235,049				6,914	241,963
Public Safety				105,421		105,421
Public Works		101,786	356,284		17,894	475,964
Health	7,014					7,014
Capital Outlay			17,084	1,232		18,316
<i>Total Disbursements</i>	<u>242,063</u>	<u>101,786</u>	<u>373,368</u>	<u>106,653</u>	<u>24,808</u>	<u>848,678</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>4,177</u>	<u>(2,494)</u>	<u>58,455</u>	<u>66,575</u>	<u>(4,957)</u>	<u>121,756</u>
<b>Other Financing Sources (Uses)</b>						
Other Financing Use	(33,489)					(33,489)
Transfers In					6,000	6,000
Transfers Out	(6,000)					(6,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(39,489)</u>				<u>6,000</u>	<u>(33,489)</u>
<i>Net Change in Fund Balances</i>	(35,312)	(2,494)	58,455	66,575	1,043	88,267
<i>Fund Balances Beginning of Year</i>	<u>159,739</u>	<u>10,539</u>	<u>123,904</u>	<u>371,323</u>	<u>3,773</u>	<u>669,278</u>
<i>Fund Balances End of Year</i>	<u>\$124,427</u>	<u>\$8,045</u>	<u>\$182,359</u>	<u>\$437,898</u>	<u>\$4,816</u>	<u>\$757,545</u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Receipts, Disbursements and  
Changes in Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$48,000	\$48,000	\$49,819	\$1,819
Intergovernmental	107,664	107,664	161,225	53,561
Licenses, Permits and Fees	100	100		(100)
Interest	30,000	30,000	11,119	(18,881)
Miscellaneous	24,200	24,200	24,077	(123)
<i>Total Receipts</i>	<u>209,964</u>	<u>209,964</u>	<u>246,240</u>	<u>36,276</u>
<b>Disbursements</b>				
Current:				
General Government	304,885	304,885	235,049	69,836
Health	7,314	7,314	7,014	300
Capital Outlay	1,100	1,100		1,100
<i>Total Disbursements</i>	<u>313,299</u>	<u>313,299</u>	<u>242,063</u>	<u>71,236</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	(103,335)	(103,335)	4,177	107,512
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(10,000)	(10,000)	(6,000)	4,000
Other Financing Sources	(46,254)	(46,254)	(33,489)	12,765
<i>Total Other Financing Sources (Uses)</i>	<u>(56,254)</u>	<u>(56,254)</u>	<u>(39,489)</u>	<u>16,765</u>
<i>Net Change in Fund Balance</i>	(159,587)	(159,589)	(35,312)	124,277
<i>Fund Balance Beginning of Year</i>	<u>159,739</u>	<u>159,739</u>	<u>159,739</u>	
<i>Fund Balance End of Year</i>	<u>\$152</u>	<u>\$150</u>	<u>\$124,427</u>	<u>\$124,277</u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Receipts, Disbursements and  
Changes in Fund Balance - Budget and Actual - Budget Basis  
Gasoline Tax  
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$97,000	\$97,000	\$98,983	\$1,983
Interest	1,000	1,000	309	(691)
<i>Total Receipts</i>	<u>98,000</u>	<u>98,000</u>	<u>99,292</u>	<u>1,292</u>
<b>Disbursements</b>				
Current:				
General Government	108,539	108,539	101,786	6,753
<i>Total Disbursements</i>	<u>108,539</u>	<u>108,539</u>	<u>101,786</u>	<u>6,753</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	(10,539)	(10,539)	(2,494)	8,045
<i>Net Change in Fund Balance</i>	(10,539)	(10,539)	(2,494)	8,045
<i>Fund Balance Beginning of Year</i>	<u>10,539</u>	<u>10,539</u>	<u>10,539</u>	
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$8,045</u></u>	<u><u>\$8,045</u></u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Receipts, Disbursements and  
Changes in Fund Balance - Budget and Actual - Budget Basis  
Road and Bridge Fund  
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$289,200	\$289,200	\$303,531	\$14,331
Intergovernmental	25,000	25,000	17,602	(7,398)
Licenses, Permits and Fees	100,000	100,000	103,788	3,788
Miscellaneous	31,330	31,330	6,902	(24,428)
<i>Total Receipts</i>	<u>445,530</u>	<u>445,530</u>	<u>431,823</u>	<u>(13,707)</u>
<b>Disbursements</b>				
Public Works	415,200	415,200	356,284	58,916
Capital Outlay	154,234	154,234	17,084	137,150
<i>Total Disbursements</i>	<u>569,434</u>	<u>569,434</u>	<u>373,368</u>	<u>196,066</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	(123,904)	(123,904)	58,455	182,359
<b>Other Financing Sources (Uses)</b>				
Transfers In	100	100		(100)
Transfers Out	(100)	(100)		100
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(123,904)	(123,904)	58,545	182,359
<i>Fund Balance Beginning of Year</i>	<u>123,904</u>	<u>123,904</u>	<u>123,904</u>	
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$182,359</u></u>	<u><u>\$182,359</u></u>

See accompanying notes to the basic financial statements.

**DOVER TOWNSHIP  
TUSCARAWAS COUNTY**

Statement of Receipts, Disbursements and  
Changes in Fund Balance - Budget and Actual - Budget Basis  
Fire District Fund  
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$145,100	\$145,100	\$163,481	\$18,381
Intergovernmental	10,400	10,400	8,307	(2,093)
Miscellaneous	2,000	2,000	1,440	(560)
<i>Total Receipts</i>	<u>157,500</u>	<u>157,500</u>	<u>173,228</u>	<u>15,728</u>
<b>Disbursements</b>				
Public Safety	171,000	171,000	105,421	65,579
Capital Outlay	357,823	357,823	1,232	356,591
<i>Total Disbursements</i>	<u>528,823</u>	<u>528,823</u>	<u>106,653</u>	<u>422,170</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	(371,323)	(371,323)	66,575	437,898
<i>Net Change in Fund Balance</i>	(371,323)	(371,323)	66,575	437,898
<i>Fund Balance Beginning of Year</i>	<u>371,323</u>	<u>371,323</u>	<u>371,323</u>	
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$437,898</u></u>	<u><u>\$437,898</u></u>

See accompanying notes to the basic financial statements.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008

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**Note 1 – Reporting Entity**

Dover Township, Tuscarawas County, Ohio, (the Township) is a body politic and corporate 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 also has an elected Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services and maintenance of Township roads and bridges. The Township contracts with the City of Dover for fire protection. Police protection is provided by the Tuscarawas County Sheriff's Department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. Dover Township has no component units.

**C. Jointly Governed Organizations**

The Township participates in one jointly governed organization. Note 11 to the financial statements provides additional information for these entities. This organization is:

Jointly Governed Organizations:

Tuscarawas County Regional Planning Commission

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**

As discussed further in Note 2 C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**A. Basis of Presentation**

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements usually distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Dover Township has no business type activities.

The Statement of Net Assets presents the cash balance of the governmental activities of the Township at year end. The Statement of Activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

**Fund Financial Statements**

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All of the funds of the Township are categorized as governmental.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund and Fire District Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Gasoline Tax Fund is used to account for gasoline tax money which the Township can only use to pay for constructing, maintaining, and repairing Township roads. The Road and Bridge Fund is used to account for tax money which the Township can only use for constructing, maintaining, and repairing Township roads. The Fire District Fund is used to account for charges for services and disbursements related to fire protection and ambulance runs.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the Certificate of Estimated Resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The Board of Trustees must annually approve the appropriation measure and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the Amended Certificate of Estimated Resources in effect at the time final appropriations were passed by the Township.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

D. Budgetary Process (Continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest is pooled and presented as “Equity in Pooled Cash and Cash Equivalents.”

Dover Township invested in nonnegotiable certificates of deposit during 2008 as well as establishing a savings account to accrue interest after the certificate of deposit rates dropped.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 was \$11,119 and an additional \$334 was assigned to other Township funds. Total interest earnings for 2008 were \$11,452.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township’s modified cash basis of accounting.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**K. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**L. Long-Term Obligations**

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

**M. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**N. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

**O. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis).

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 4 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 4 – Deposits and Investments (Continued)**

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2008, the Township had no investments.

**Note 5 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

The 2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of the appraised market value. The 2008 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out the assessment percentage for all property including inventory for 2008 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Township operations for the year ended December 31, 2008 was \$4.90 per \$1000 of assessed value. The assessed values of real and personal property upon which 2007 (2008) property tax receipts were based are as follows:

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 5 – Property Taxes (Continued)**

Real Property	\$104,771,210
Public Utility Property	4,162,960
Tangible Personal Property	<u>6,835,860</u>
Total Assessed Values	<u><u>\$115,770,030</u></u>

**Note 6 – Risk Management**

The Township has obtained commercial insurance for the following risks:

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

Dover Township had the policy with the Hanhart Agency of Dover, Ohio. The total annual premium for 2008 was estimated at \$12,139.

The Township also provides health insurance and vision coverage to full-time employees through the Tuscarawas County Auditors office and a private carrier.

**Note 7 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 7 – Defined Benefit Pension Plan (Continued)**

**A. Ohio Public Employees Retirement System (Continued)**

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Townships required contributions for the years ended December 31, 2008, 2007 and 2006 were \$29,647, \$29,084 and \$26,373 respectively; the full amount has been contributed for 2008, 2007 and 2006.

**Note 8 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.55 percent of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 percent and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362, 130. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$3,649. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Dover Township  
Tuscarawas County

Notes to the Financial Statements  
For the Year Ended December 31, 2008  
(Continued)

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**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 10 – Interfund Transfers**

During 2008, the following transfer was made:

Transfers from the General Fund to the Zoning Fund	\$6,000
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**Note 11 – Jointly Governed Organizations**

The Township is associated with the Tuscarawas County Regional Planning Commission as a Jointly Governed Organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and Governmental characteristics, functions and services of the county. The Township contributed \$493 to the Regional Planning Commission for membership in 2008.



# Mary Taylor, CPA

Auditor of State

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

Dover Township  
Tuscarawas County  
2201 Progress St.  
Dover, Ohio 44622

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dover Township, Tuscarawas County, Ohio, (the Township) as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 23, 2009. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated July 23, 2009.

#### **Compliance and Other Matters**

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

We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated July 23, 2009.

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



**Mary Taylor, CPA**  
Auditor of State

July 23, 2009



Mary Taylor, CPA  
Auditor of State

**DOVER TOWNSHIP**

**TUSCARAWAS 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  
SEPTEMBER 8, 2009**